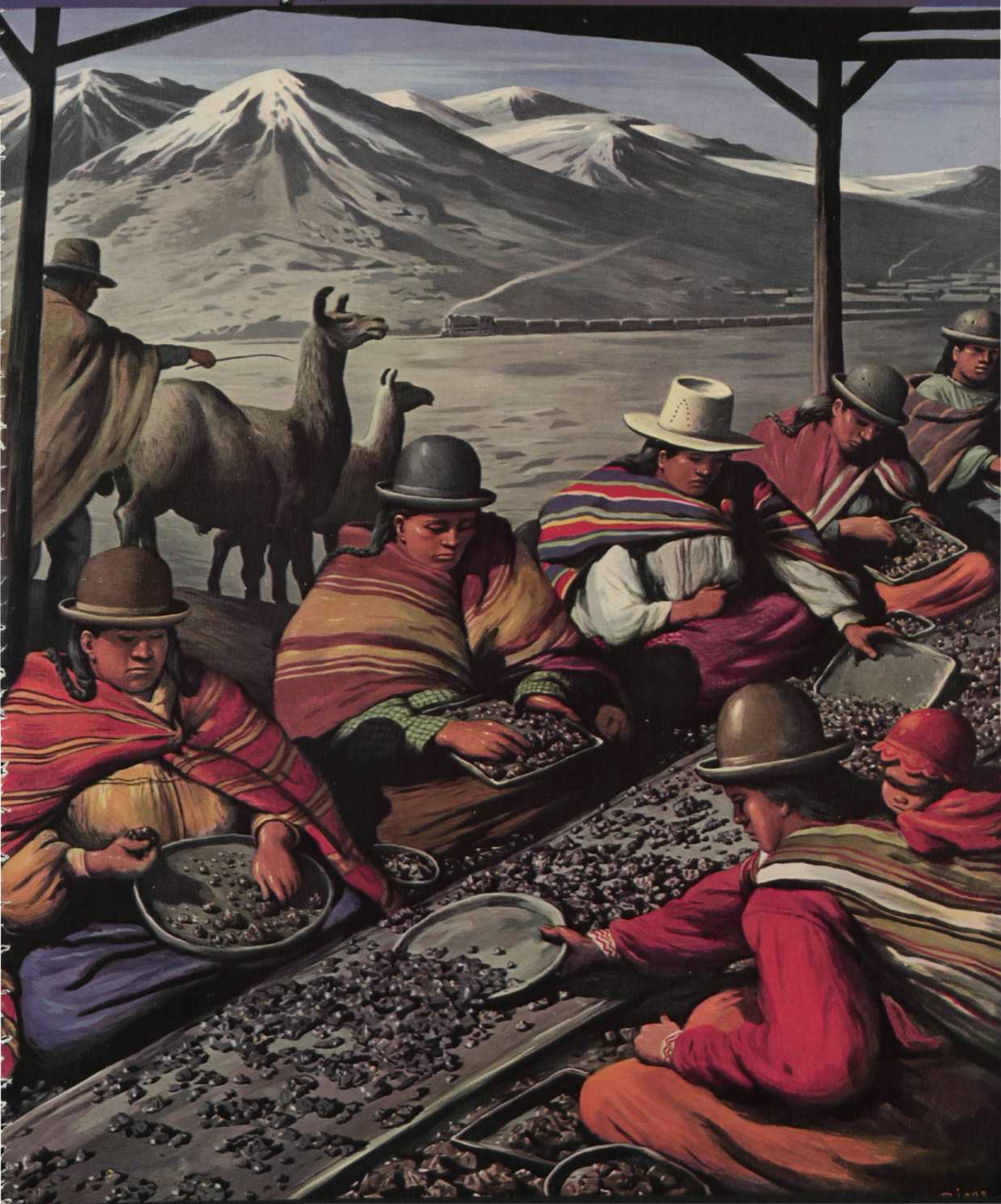


MAY 1950

Nation's



BUSINESS





**Merchants Credit
Bureaus' Records**



**Public Accountants'
Records**



**Architects' and
Engineers' Drawings**

**The heart
of almost every
business is its
valuable papers**



**Law Offices' and Title Companies'
Deeds, Abstracts and Mortgages**

***This Man* protects your financial resources when valuable papers are lost**



FAR more valuable than cash or inventory for most companies... are key documents and papers... the loss or destruction of which would hinder proper functioning.

THIS MAN—your U.S.F.&G. Agent—can tell you about our *Valuable-Papers Insurance* which pays the actual cost of reproducing or replacing lost, destroyed or damaged records.

There is a U.S.F.&G. Agent in your community—he is as close as your telephone—who will be glad to discuss promptly, informally and in confidence the steps you should take to solve your valuable-paper problems without obligating you in any way. Call him today!

For claim service in emergency, call Western Union by number and ask for Operator 25 who has the name and address of the nearest U.S.F. & G. Agent.



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Fidelity & Guaranty Insurance Corporation, Baltimore 3, Md.

Fidelity Insurance Company of Canada, Toronto

**CONSULT YOUR INSURANCE AGENT OR BROKER
AS YOU WOULD YOUR DOCTOR OR LAWYER**



A Seaport IN MICHIGAN?

Well, not exactly, perhaps. But during World War II mine-sweepers and anti-submarine patrol craft built in Bay City shipyards went to the Atlantic or to the Gulf of Mexico under their own power . . . via Lake Erie, Lake Ontario and the St. Lawrence . . . or via the Illinois Waterway and the Mississippi.

For Bay City, *lakeport* is a better word. Bay City is one of the largest of Great Lakes ports . . . in the matter of tonnage, the largest on Lake Huron. Nosing into the deepened Saginaw River, long freighters every year discharge millions of tons of coal, limestone and other bulk cargoes at docks of industrial concerns, millions of gallons of gasoline and fuel oil to supply a large Michigan area.

"Lumber queen of the world" a few decades ago, Bay City today is a thriving industrial community of moderate

size (55,000) located in a rich agricultural area and convenient to the recreational advantages offered by Northern Michigan.

Products of Bay City's 100 diversified industries include hoisting and conveying machinery, power shovels, automobile parts, ships, petroleum products, lumber, cement, electric transformers, electric resistance welding machines, water pipes, sugar, magnesium castings, ready-cut houses, furniture and many others.

Bay City is celebrated for the hardwood trees that line its streets, for its beautiful State Park on Saginaw Bay, for its fishing, its boating and its high degree of home ownership . . . but most of all for its people. They are forward-looking, friendly, skilled in many lines . . . the kind of people who make any city a good place to live, work or start a factory.

Check These Advantages of Outstate Michigan

- ★ Exceptionally High Percentage of Skilled Workers
- ★ In the Great Market Center of America
- ★ Wide Range of Materials, Parts and Supplies
- ★ Many Basic Materials Right at Hand
- ★ Unlimited Fresh Water Supply
- ★ No State Income Tax
- ★ Desirable Plants and Plant Sites
- ★ Dependable Electric and Gas Service at Fair Rates
- ★ Excellent Living Conditions and Cultural Opportunities
- ★ Woods and Lakes that Have Made This a Foremost Vacation Area



* Shading on map shows territory served by Consumers Power Company

**FOR FURTHER INFORMATION WRITE
Industrial Development Department
CONSUMERS POWER COMPANY
JACKSON, MICHIGAN**

D-4-NB

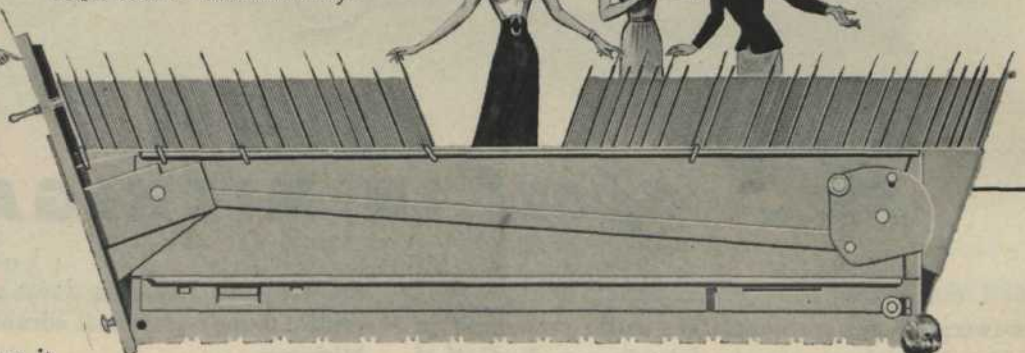
"Look what they've done with the Filing Cabinet!"



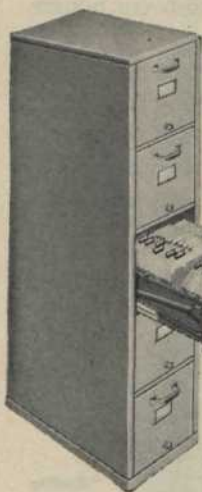
NO WONDER THEY CALL IT "ROBOT-FILER"

Even when a drawer is crammed full the perfect filing "V" is there. No jamming or tugging to get papers in and out.

This Robot cabinet *knows* I always need "V" space for filing. The instant I open the drawer the front tilts forward and the back leans back... *automatically*.



The "V" is important because it lets us use the full 26" depth of the drawer. We need fewer filing cabinets...get more elbow room.



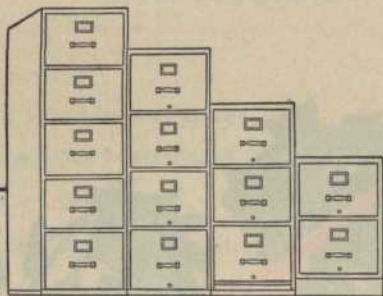
Papers don't get buried and "lost"—I find *everything* quick as a wink. No wonder the boss is Robot-Filer happy!

Sure I'm happy! If Robot-Filers save only 20% on filing time—and that's conservative—they'll pay for themselves while they're still new. And we aren't going to have our past expense of training and replacing dissatisfied filing girls. Nothing I could buy in office equipment will pay for itself so surely.

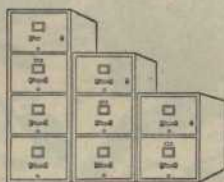


FREE folder explodes many old accepted ideas on filing—tells you how to simplify and save with 3, 4 or 5 drawer **ROBOT-FILERS**. Just phone your local Remington Rand office or write Management Controls Reference Library, Room 1109, 315 Fourth Avenue, New York 10, N. Y.

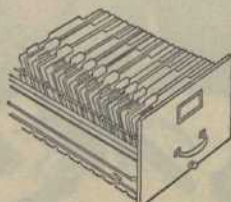
AND FOR ANY OTHER FILING NEED...



Conventional filing cabinets, too? Yes, Remington Rand makes them all — all sizes, all types, plus card files and map-and-plan units. And in the famous Aristocrat line, substitute drawers are available for unusual filing needs.



To protect vital papers from fire, use Remington Rand Certified Safe-Files. Remember, ordinary steel files act as ovens — often char contents before the first fire engine even arrives. Safe-Files are available to withstand severe fire and protect records for periods of one-half or one hour.



If your office is average you're carrying 65% "dead weight" in your files — papers that should be transferred to inactive status. Let our Analysis and Installation Service show you how to save up to \$27 per year per cabinet ... and demonstrate filing systems that cut errors and speed reference.



100 drawers of papers "filed" in one drawer of our humidified film cabinet! It's easy, economical, when you microfilm with Film-a-Record. Reference to any record is unbelievably fast, thanks to exclusive Microdex indexing and the Film-a-Record Reader-Desk. View any record, or reproduce it, in full size, any time you wish.

When it comes to filing...

Remington Rand

MANAGEMENT CONTROLS DIVISION
315 Fourth Avenue, New York 10, N. Y.

For your needs
we have no reason
to recommend anything but
the right machines and systems.
We make them all

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George S. May Service Pays For Itself

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Business Engineering

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Nation's Business



PUBLISHED BY

CHAMBER OF COMMERCE OF THE UNITED STATES

VOL. 38

MAY, 1950

No. 5

NB Notebook		10
Management's Washington Letter		17
TRENDS OF NATION'S BUSINESS		21
The State of the Nation	Felix Morley	
The Month's Business Highlights	Paul Wooton	
Washington Scenes	Edward T. Folliard	
Russia's Achilles' Heel	Will Lissner	33
Can her mighty army whip hunger?		
How White is Your Elephant?	J. C. Furnas	36
Today's appraisal may be tomorrow's headache		
A Journey Through the "Welfare State"	Stuart Chase	39
This author calls it a label for necessary services		
The Police State's Jigsaw Pieces	Emerson P. Schmidt	41
This author fears the compulsion that welfarism must employ		
Pardner	Robert E. Pinkerton	44
A story of the meaning of loyalty		
Guided Tours to New Ideas	Roger William Riis	47
ECA plays schoolmaster to Europe's producers		
Oracle of Lafayette Square	Milton Lehman	51
Brookings has the answer when it comes to economics		
Home of Turf Champions	Hambla Bauer	54
Belmont Park—where blue bloods meet thoroughbreds		
The Incredible Totalisator	Paul Gardner	56
Air Invasion of the Wild	Phil Gustafson	72
Hunting is only a matter of catching a plane		
Stamford's Own Hoover Plan	Henry La Cossitt	78
Good government doesn't just happen		
By My Way	R. L. Duffus	92

CIRCULATION OF THIS ISSUE 671,000

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As the official magazine of the Chamber of Commerce of the United States this publication carries notices and articles in regard to the Chamber's activities; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers.

Nation's Business is published on the 30th of each month by the Chamber of Commerce of the U. S. at 1615 H St., N. W., Washington 6, D. C. Subscription price \$15 for 3 years. Entered as second class matter March 20, 1920, at the Post Office at Washington, D. C., additional entry at Greenwich, Conn., under the act of March 3, 1879. Printed in U. S. A. Nation's Business is copyright, 1950, by the Chamber of Commerce of the United States

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Amer Airlines	Monsanto Chem
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Anaconda Copper	Natl Biscuit
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Canadian Pacific	Pennsylvania R R
Celanese Corp	Pepsi-Cola
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Consol Edison	Republic Steel
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Curtiss-Wright	Shell Oil
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Gulf Oil	Standard Oil (Cal)
Industrial Rayon	Standard Oil (N J)
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Libby McN & Libby	Westinghouse Elec
	Woolworth Co (F W)

IF YOU OWN any of these stocks, or have been planning an early sale or purchase, you may want to have the latest Merrill Lynch "Stock Appraisals" on them.

Each of these "Appraisals" gives you digestible details on operations, standing, earnings, outlook for an individual company . . . summarizes vital facts needed for sound investment decisions—and will be sent to you without charge.

Just check the list and underline those you'd like — whether it's one, two, or a dozen.

Department TS-20

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Would you

*“breathe easier” if you could
increase working capital 20%,
30%, 40% or more?*

WOULD EXTRA WORKING CAPITAL make your competitive position more secure . . . enable you to do the modernizing and put on the extra sales pressure you need . . . or do the development work that an expanding economy and growing population seem to justify?

If so, COMMERCIAL CREDIT has a recommendation that should interest you. We are not interested in becoming a partner in your business, nor will we buy or help you sell stocks or bonds. But we do have a proposal which will give many manufacturers and wholesalers . . . probably you . . . all the advantages of these ways of securing capital without the disadvantages.

If our recommendation fits your situation, its cost will be well in line with the value of the extra cash to you. And, unlike dividends, this cost is a business expense—tax deductible. You will retain complete control over ownership, management, profits. And while the COMMERCIAL CREDIT method will give you cash as long as you need it, you are not saddled with costs when your need for money is down.

A large segment of American industry faces an acute shortage of working capital. Obviously, COMMERCIAL CREDIT does not offer a total solution to this problem, but we can be of definite help to many manufacturers and wholesalers . . . particularly those with monthly sales between \$25,000 and \$500,000.

If you are a manufacturing or wholesaling executive interested in having more facts, just say, “Tell me more about plan referred to in *Nation's Business*,” and a COMMERCIAL CREDIT executive from your area will be in touch with you promptly. You are not placing yourself under any obligation and discussions will be strictly confidential. Address your wire or letter to

Mr. F. M. NICODEMUS,
VICE PRESIDENT,
COMMERCIAL CREDIT COMPANY,
14 LIGHT STREET,
BALTIMORE 2, MARYLAND.



IT SEEMS that WILL LISSNER was practically weaned on a newspaper. By the time he was 15 he was working for The New York Times (he still is) in his third newspaper job. However, The Times obligingly gave him the task of getting up a table of ship arrivals and departures so he could finish high school.

After more schooling and choicer assignments Lissner became a general assignment reporter in 1945, with economics and foreign politics his specialties. Hence he has followed Soviet affairs as closely as national ones. His paper makes this possible by providing translating and other services: his Russian is not adequate to cope with technical reports, though he is on fairly familiar ground with Italian, French, Spanish and German.

As a result of his close watch he has been able to help his paper score several beats: the revision of Soviet economic theory in 1943 (which gave some indication of its postwar political policy); the disgrace of Varga, Stalin's economist; the relationship of Soviet and American prices in terms of work, and so on.

Lissner's favorite amusement is reading what the *Daily Worker* says about his writings. It usually disputes them once a month and sometimes refers to him with awe as the voice that tells American big business men what to think—or as the “phony expert.”

In other circles, however, Lissner is regarded as an authority. For almost ten years he has edited *The American Journal of Economics and Sociology*.

“HOW White is Your Elephant?” contains sound advice on how to determine how much a house—the one you are planning to build, buy or modernize—is worth. On this



How important is THE MAN in a one-man business?

Statistics show that 4 out of 5 one-man businesses never survive the critical period following an owner's death.

The big reason for this, of course, is absence of the owner's skilled hand. But another is lack of cash while new leadership is taking hold.

For so important is *the* man in a one-man business that assets shrink as soon as he passes on. Accounts receivable become less valuable because customers are no longer interested in keeping their credit "good with the house."

Yet, liabilities never shrink at all. Wages, rent, taxes, and accounts payable must be taken care of without delay.

In the pinch, the one-man business often dies UNLESS—

there is insurance on the owner's life to provide sufficient ready cash during the critical period when a new start is being made, or until a buyer can be found.

If you are running that risk in your business, you should look into Travelers Business Life Insurance.

With this insurance you can make sure that the business you've built will have the best possible chance to survive and provide profits for your heirs. That it will never die because, just for a short time, its assets have shrunk.

Why not call in your Travelers agent or broker today—and ask him how to shrink-proof the assets of your business?

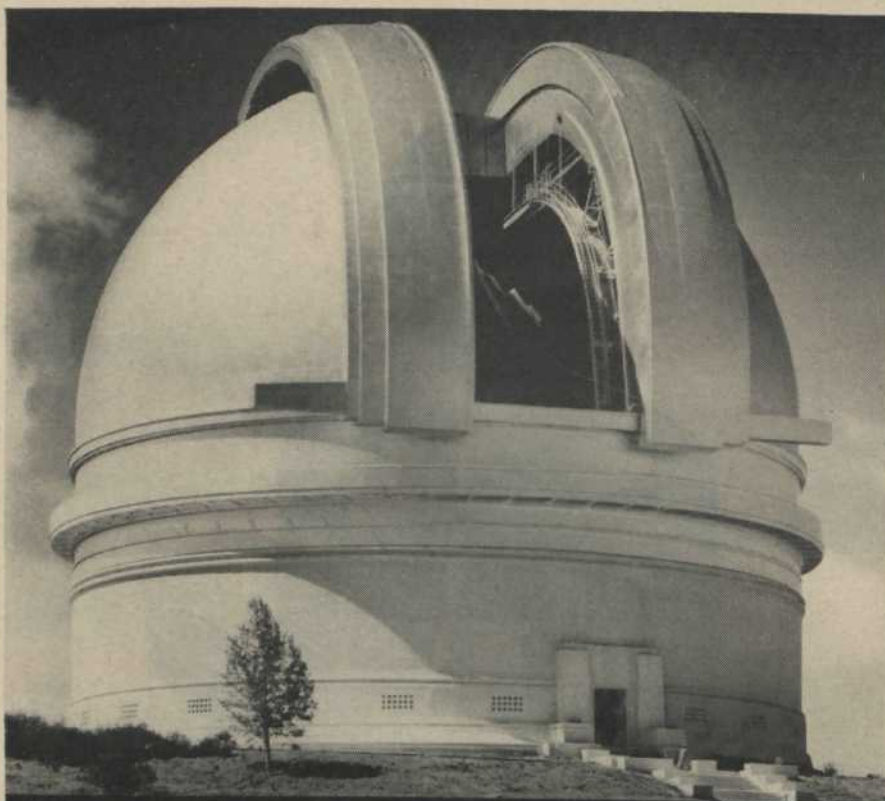


MORAL: INSURE IN

The Travelers

ALL FORMS OF INSURANCE AND SURETY BONDS

The Travelers Insurance Company, The Travelers Indemnity Company, The Travelers Fire Insurance Company, The Charter Oak Fire Insurance Company, Hartford 15, Connecticut. Serving the insurance public in the United States since 1864 and in Canada since 1865.



CONCRETE helps steady a billion-mile aim

THE GIANT 200-inch Hale telescope on Palomar Mountain in California, with which astronomers hope to unlock cosmic secrets, is a huge camera. It records light from objects a billion light years away on photographic film. To guard against vibration during hour-long exposures, the delicate machinery which operates the telescope is mounted in rigid, shakeproof concrete independent of the concrete foundations and walls of the massive observatory dome.

This is another way concrete is serving mankind. Its resistance to weather, termites, vermin and fire makes concrete the ideal building material for homes, schools, hospitals, factories, farm and office buildings, pavements or pipe lines. Concrete can be designed to render years of trouble-free service under the most punishing climate or wear.

This unusual durability, resulting in fewer repairs and less maintenance, makes concrete economical construction over the years. Here's why, in simple arithmetic: Moderate first cost + low maintenance expense ÷ long years of service = **low-annual-cost** construction.

So whatever you plan to build, you'll be money ahead in the long run to choose firesafe, durable, **low-annual-cost** concrete construction.



PORTLAND CEMENT ASSOCIATION

33 W. Grand Avenue, Chicago 10, Illinois

A national organization to improve and extend the uses of portland cement and concrete . . . through scientific research and engineering field work

subject **J. C. FURNAS** is on firm ground. His own "elephant" was looked upon almost as a liability rather than an asset by a local bank when it checked the plans before according him a mortgage. However, as far as Furnas is concerned, it is not as white as the



VON BEHR

first reports indicated, for it has paid off in economy and comfort. When Furnas is not pounding his typewriter at home he is skimming around doing the legwork on whatever magazine pieces are on the fire. That program was varied in the last year by several months in the United Kingdom and France dredging up material for a centenary biography of Robert Louis Stevenson. He got the corresponding local stuff about Stevenson's last years in the South Seas while out there in 1946-47.

Furnas is most widely known, perhaps, for the article, "—And Sudden Death."

FEW subjects are of more importance and long-range significance than the welfare state. For this reason we have decided to see what this condition is, what makes it tick and where it can lead.

In the April issue Blair Bolles raised the curtain by charting the rise of the welfare state in America. This month two other experts step front and center to take up where Bolles left off, with a discussion of the welfare state's advantages and disadvantages. **STUART CHASE**, who goes to bat first, has a world-wide reputation as a writer, speaker and consultant on economic subjects. While economics is his major interest, he has made many broader studies in the field of social science.

DR. EMERSON P. SCHMIDT, who follows Chase to the plate, has been director of economic research for the Chamber of Commerce of the United States since 1943. His background includes many years of teaching, as well as advisory and consulting experience. Schmidt is also a sought-after writer, with many books, reports and articles to his credit.

LAST year 20 per cent of the metallic tin and tin ores and concentrates imported by the United States came from Bolivia. The cover painting by **ROBERT RIGGS** shows how this ore is sorted at the mines by native women.



This Silver Anniversary Medallion is a symbol to help advertisers remember that Outdoor outsells because it reaches more people, more often, more economically.

We waited 25 years to run this ad!

When we were youngsters, back in 1925, the year 1950 seemed forever away.

But, like all good things, it finally came. And taking a moment to look back, we feel we've done pretty well.

Today we represent our advertisers with top coverage in 1400 cities and towns. These towns include 55 of the nation's best markets.

Now, on our 25th Anniversary, this sterling coin symbolizes a quarter-century of business progress. During these years we have enjoyed steadily growing acceptance among advertising men everywhere.

That acceptance makes GOA one of the most potent selling forces in the nation today!

General Outdoor Advertising Co.
INCORPORATED

515 S. Loomis Street, Chicago 7, Illinois

Don't Walk... **TALK!**



THE **NEW** EXECUTONE INTERCOM

**Saves steps, increases
output, cuts costs!**

Compute the cost of time wasted by executives and employees running back and forth. *That's how much* the NEW Executone Intercom can save you! Your voice—with lightning speed—gets information, gives instructions. Your employees accomplish more, too, with inter-departmental communication. "Inside calls" no longer tie up telephone lines. Office and plant operate at a new peak of efficiency!

**Years ahead of its time
in operation and design!**

"CHIME-MATIC" Signalling announces calls with a soft chime and signal light, saves time on every call. New switching circuits for every need make new savings possible. Voices are clearer, distinct, instantly recognizable. Inexpensive 2 station system easily expanded. See it—no obligation. Just mail the coupon.

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**GET THE
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**COMMUNICATION AND
SOUND SYSTEMS**

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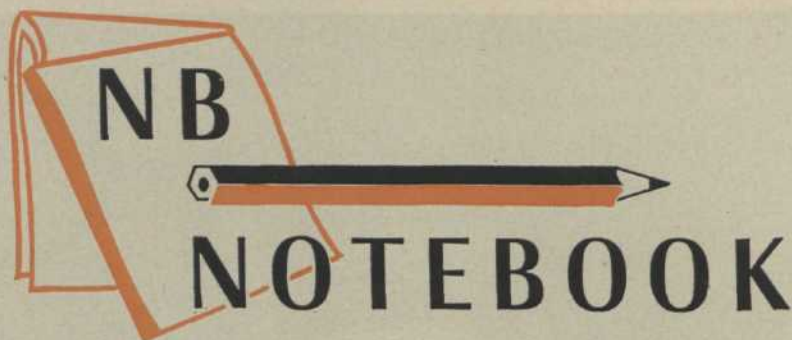
Without obligation, please let me have:

- ☐ The name of your local Distributor
- ☐ Complete descriptive literature

NAME.....

FIRM.....

ADDRESS.....CITY.....



Trade outlook

TRADE figures ought to show up better this month after running into the unfavorable comparisons brought about by the early Easter. With May flowers there also comes spring housecleaning and a critical survey of what the home needs to freshen it up.

It is in the category of home furnishings that retailers expect their best gains to be made. Home building is topping all records and that always means a good push for the homeware lines. In older homes television exerts quite an influence, it is reported, because more time is spent in the home.

The second highest birth rate last year in the history of the country brings in another excellent source of business. Mother's Day has become the second best gift date of the year. From babies to oldsters, therefore, merchants think they see more customers and livelier sales.

Selling the sellers

NOW that the days when goods were bought and not sold are finally over, the folk who were called salesmen have some homework to do. Hundreds of training sessions are being sponsored by manufacturers. For instance, Hotpoint, Inc., home appliance concern, is training 35,000 retail salesmen in 25 zones throughout the country.

According to Edward R. Taylor, Hotpoint sales manager, management must now "sell the seller," who often lacks knowledge not only of the fundamentals of salesmanship but may also be blissfully ignorant about the product he is trying to sell.

The company spent \$100,000 in research, tools and dies to put a "butter bin" on the door of an electrical refrigerator. The idea was to keep the butter from becoming hard as a brick. The device made it softer. Listening to a salesman an-

swer a customer's question, Taylor heard him say:

"Oh, that's just a place to put the butter where it's not in the way of other articles in the refrigerator."

More competition

INDUSTRIALISTS long have been aware that an era of stiff competition was in the cards. Many of them have felt the hard blows of the contest and others are in the opening rounds of what promises to be a grueling struggle.

But what was not expected was the effect of a new kind of competition which will make the business battle even tougher. This is the competition that sprung up among top labor leaders after the coal settlement.

John L. Lewis managed to contrive a last-minute victory for his miners after all seemed lost. Rival leaders are more than a little disturbed over his success. They must compete or lose prestige with their millions of members. They were ready to compromise stiff demands before the coal agreement, and now they feel compelled to go through in an effort to match the Lewis success.

The impact on industry, therefore, is a double-barreled one. There is accelerated competition in the market place and labor leader competition that means cost boosts when both prices and costs ought to be chopped. In the end something must give, and mounting unemployment may change labor union ideas.

Office revolution

FORECASTS over recent years that the machine methods of the factory soon would invade business offices on a wide front are now confirmed officially. In the first issue of *Systems and Procedures Quarterly* published by the Systems and Procedures Association of America, a "paper work" revolu-

Now — Kimberly-Clark brings you

Premium Papers at Standard Prices!



BALSAM AND SPRUCE LOGS — READY FOR THEIR
DRAMATIC TRANSFORMATION INTO 1950 LEVELCOAT

Now you can make every impression a far better impression — without an increase in printing cost! For Kimberly-Clark's four new fully-coated Levelcoat* papers with new fiber, new formula, give you premium quality press performance and reproduction — at the cost of ordinary paper!

You'll see new whiteness and brightness, feel new smoothness, in all four 1950 Levelcoat papers. In make-ready, on low or high speed

presses, you'll discover new economy and dependability. Finally, in comparing reproduction with that of any other paper, at any price, you'll agree there's a striking new difference in the quality of printing achieved — with less ink — on 1950 Levelcoat.

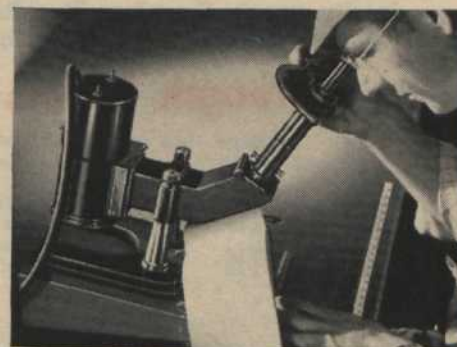
So regardless of your paper requirements — for long runs or short runs, for broadsides, magazines or house organs — look to Levelcoat for printability at its best.



Cooked to a pulp! Wood chips, cooked 10 hours in acid liquor, form laps of sulphite pulp. Added to this basic paper ingredient for 1950, are the exclusive LongLac sulphate fibers. Now Levelcoat has a new smoother printing surface, greater folding endurance, brilliant new whiteness that lasts.



Hello, Levelcoat! Precision-coated paper winds off paper machines turning out 500 tons a day. Only the highest grade white Georgia clays are used in the coating process; and with the new formula, 1950 Levelcoat provides even more uniform ink reception, brighter, sharper reproduction than ever before.



An ounce of prevention! Gloss meters measure surface contour and gloss of each lot of paper. There are many other checks, too — 79 in all — constituting the industry's most extensive quality control system. That's how it's known new Levelcoat gives the press performance and reproduction of higher-priced paper.

Before choosing any printing paper — Look at Levelcoat

New HIFECT* Made with strong sulphate-cooked fibers. Permanence, foldability, dimensional stability make Hifect ideal for covers or any fine letterpress printing.

New LITHOFACT* For finest offset printing, Lithofect provides a moisture-and-pick-resistant coating with a strong base sheet. Renders colors without loss of density.

New TRUFECT* Whiter, smoother, folds even better than before. Trufect, for letterpress, offers faster ink setting time, greater press dependability, finer reproduction.

New MULTIFECT* An economy sheet for volume printing. Now, with the new LongLac fibers, Multifect has added strength, better foldability, greater uniformity.

KIMBERLY-CLARK

CORPORATION
NEENAH, WISCONSIN



*TRADEMARK

BURSTING STRENGTH



Without bursting strength—or, for that matter—without all of the strength factors listed below—no pipe laid 100 years ago in city streets would be in service today. But, in spite of the evolution of traffic from horse-drawn vehicles to heavy trucks and buses—and today's vast complexity of subway and underground utility services—cast iron gas and water mains, laid over a century ago, are serving in the streets of more than 30 cities in the United States and Canada. Such service records prove that cast iron pipe combines all the strength factors of long life with ample margins of safety. No pipe that is provably deficient in any of these strength factors should ever be laid in city streets. Cast Iron Pipe Research Association, Thos. F. Wolfe, Engineer, 122 So. Michigan Ave., Chicago 3.

Strength factors of Long Life!

No pipe that is provably deficient in any of these strength factors should ever be laid in city streets

BURSTING STRENGTH

In full length bursting tests standard 6-inch cast iron pipe withstands more than 2500 lbs. per square inch internal hydrostatic pressure, which proves ample ability to resist water-hammer or unusual working pressures.

SHOCK STRENGTH

The toughness of cast iron pipe which enables it to withstand impact and traffic shocks, as well as the hazards in handling, is demonstrated by the Impact Test. While under hydrostatic pressure and the heavy blows from a 50 pound hammer, standard 6-inch cast iron pipe does not crack until the hammer is dropped 6 times on the same spot from progressively increased heights of 6 inches.

CRUSHING STRENGTH

The ability of cast iron pipe to withstand external loads imposed by heavy fill and unusual traffic loads is proved by the Ring Compression Test. Standard 6-inch cast iron pipe withstands a crushing weight of more than 14,000 lbs. per foot.

BEAM STRENGTH

When cast iron pipe is subjected to beam stress caused by soil settlement, or disturbance of soil by other utilities, or resting on an obstruction, tests prove that standard 6-inch cast iron pipe in 10-foot span sustains a load of 15,000 lbs.

CAST IRON PIPE SERVES FOR CENTURIES

tion comparable to the industrial revolution is reported on its way.

J. W. Haslett, editor of the new publication and manager of the methods and statistics department of Shell Oil Company, asserts:

"The march of technology cannot be halted. It belongs as much to the office as to the factory. Specialists in the field of management systems should be ready for the change. More important, they should learn to describe their methods in plain language so that management can adopt them easily and to the best advantage."

Raymond B. Crean, assistant vice president of the Baldwin Locomotive Works, is president of the Association which has chapters in New York, northern New Jersey, Baltimore, Philadelphia, Pittsburgh, Chicago, Los Angeles and San Francisco.

Fresh out

AFTER coming through an Easter season which has possibly set a record for being "out" of what customers wanted to buy, some retailers may follow the example of a New England store. Of moderate size, this concern set up a "Don't Have Department" which was charged with all the merchandise that could have been sold if only it were in stock. In a year's time the department showed minus sales of \$150,000.

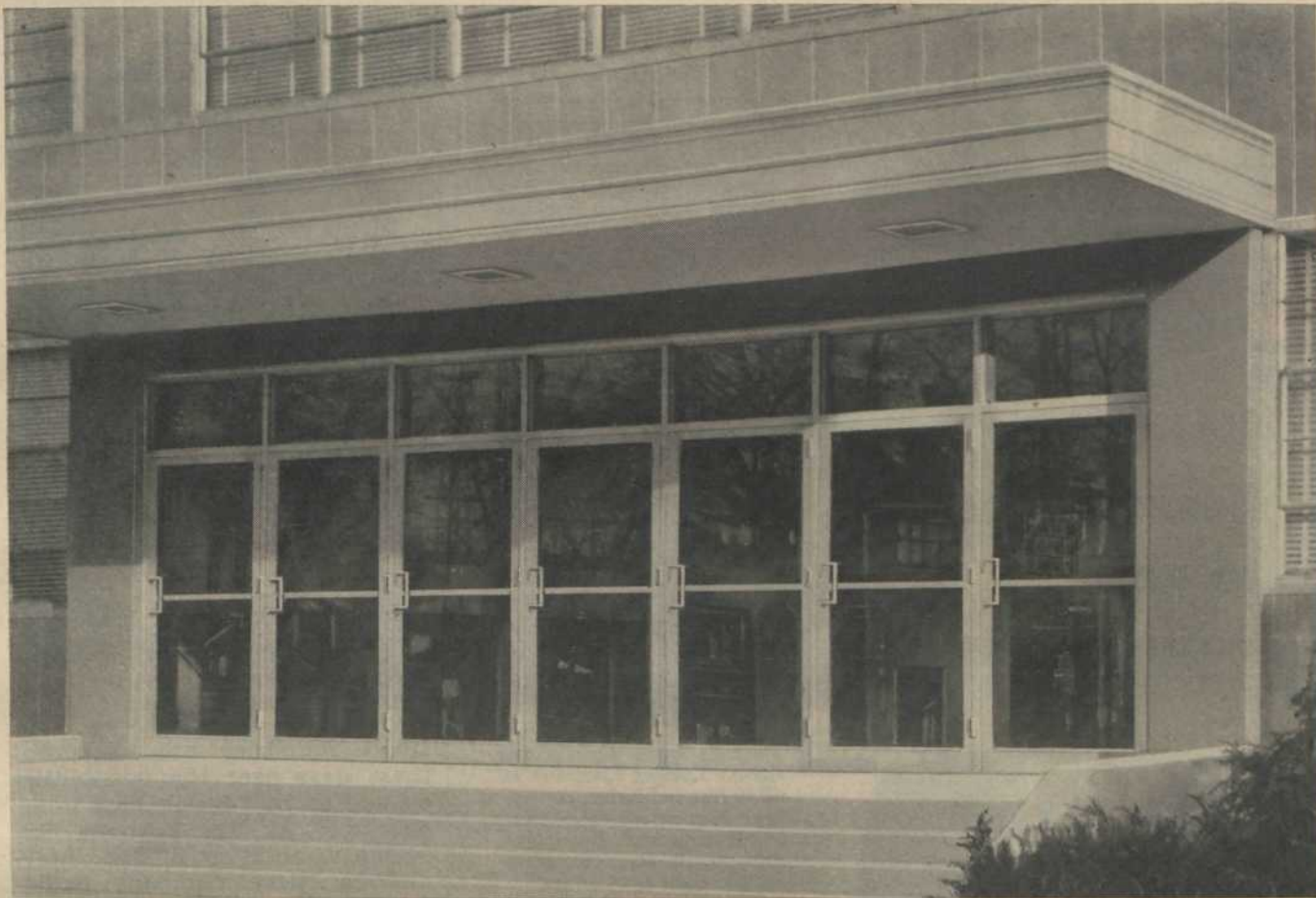
"Playing it safe" is, therefore, an operation which may cost more than the markdowns taken when inventories turn out to be too plentiful.

Manufacturers have been complaining for the past year or more that their customers have been playing the market "short" and losing business. They have been doing some short trading themselves and the result is that quick deliveries have not been possible in many cases when the stores run out of goods. A "Don't Have Department" sounds like good medicine all around.

Renaming the system

"FREE ENTERPRISE" struck the editorial and sales promotion departments of the Stevens-Davis Company, Chicago publishing house, as an inept term for describing our economic system because nothing is "free" in this country and "enterprise" is not a common word and usually suggests a large undertaking.

So one of the company publications put on a contest to get a new phrase. The response was wide



Endicott-Johnson Shoe Co. Recreation Center in Endicott, N. Y.
A. T. Lacey & Son, Architects, Binghamton, N. Y.

Kawneer Stock Entrances meet **EVERY** building requirement—AND REDUCE COSTS



FOR STORES, SHOPS, RESTAURANTS, THEATRES, SCHOOLS, HOSPITALS, HOTELS, OFFICE BUILDINGS, FACTORIES, ETC.

No other entrances in the industry offer as many important advantages as Kawneer Stock Units.

Expertly engineered for smooth, long-term operation, these handsome, modern-styled Entrances were formerly available only as specially made units. They are now carried in stock, completely assembled and ready for quick installation. Factory delays and complicated installation problems are eliminated.

Kawneer metal-and-glass construction minimizes the possibility of breakage and the danger of people colliding with doors. Precision fitting protects interiors against damaging soot and dust. It also cuts heating and air conditioning bills by reducing the loss of warmed air in winter and cooled air in summer.

To find out more about these outstanding Entrances, write 230 N. Front St., Niles, Mich.; or 2590 8th St., Berkeley, California.

THE
Kawneer
COMPANY

ARCHITECTURAL METAL PRODUCTS

Store Front Metals • Aluminum Roll-Type Awnings
Modern Entrances • Aluminum Facing Materials



Betty works at the Acme Manufacturing Company. Every night she balances the office cash—the easy way. Her low-cost, hand-operated Burroughs gives her first-time accuracy . . . cuts balancing time in half.

Match your Business Tools to your Business Tasks



Martha's figure work at the Larson Lumber Company is all in feet and inches. Annoying? Not at all! Her electrically operated Burroughs computes in fractions, gives her the right answers fast!



At the Bon Ton, Emily spends hours listing sales by departments. She'd spend a lot *more* time, though, without her two-total Burroughs. It supplies department totals plus a grand total of all departments in a single run.

SEE HOW THE RIGHT BURROUGHS ADDING MACHINE MAKES YOUR FIGURING FASTER, EASIER, THRIFTIER

With your specific figuring needs in mind, examine the new Burroughs line. Notice what a wide choice you have . . . how it includes the right adding machine for every figuring job. Then select the Burroughs that best suits your scheme of business. Look at it—smooth, smart and sturdy. Operate it—swift, sure and simple. Judge it on all points—you'll know there's a Burroughs that will do your figuring work better . . . at less cost.



Please send me descriptive folder and prices on Burroughs adding machines.

WHEREVER THERE'S BUSINESS THERE'S

Burroughs



BURROUGHS ADDING MACHINE COMPANY
DETROIT 32, MICHIGAN

NAME _____
COMPANY _____
ADDRESS _____

NB-38

from many types of business. Finally, "Freedom & Opportunity System" was chosen for first prize, followed by "American Opportunity System" and "Individual Initiative System." The words, "freedom" and "opportunity" were included most often in the entries.

In his comment on the results of the contest, W. H. Mack, editorial director, said:

"In general, American employees seem to be surprisingly well sold on the economic opportunities offered by our American system, but not on the business dignity or social recognition accorded the average employee. This generalized dissatisfaction often cannot find expression in normal ways, and consequently may be channeled into some other complaint-channel (wages, hours, etc.) provided ready-made by union leaders or aggressive fellow employees."

Iron that bends

IRON foundries are exuberant these days over the possibilities opened up by "ductile cast iron," developed at the Bayonne Research Laboratory of the International Nickel Company. Bridging the gap between gray iron and cast steel, this new metal can be bent and twisted without fracture and has several times the strength of ordinary gray iron.

Already it is being used in a number of industries, including the automobile, machinery and farm implement. One of the biggest uses may be as pipe for fluids and gases now barred to gray iron because of its lack of ductility. Water and other line maintenance costs will be reduced, it is claimed, because pipe of ductile iron withstands ground shifts and shock.

A misdeal

AS YOU fill the straight that afterwards takes the pot or you go out with several nice canastas on the board, make a mental bow to Lowell B. Mason, crusading member of the Federal Trade Commission. Mason wants you to keep your cards and your galloping dominoes and said so emphatically in a dissenting opinion to a recent lottery case.

The Commission voted three to one against a company which had been selling a sales promotion plan to retailers featuring a punch card and awards when the "secret panel" finally was opened. To skirt the law against lotteries, the moving spirit in the enterprise who

already had an FTC order filed against him, instructed his store customers to give the public a choice of awards. In practice, however, the Commission found, there were specific awards for specific numbers. The company's defense was that retailers violated the instructions. Commissioner Mason agreed on the facts in the case but objected to the desist order which gave effect to the so-called "possibility" rule.

"I concede," he wrote, "that it is difficult to frame an order that will prevent manufacturers of games of chance from marketing an instrumentality that may be used as a lottery. But hard cases make bad law. From apples to zithers (including dominoes, parcheesi and playing cards) there is nothing produced that cannot be diverted to illegal use. Thus, in the instant case, chasing a man with a bad name, we have thrown ourselves past the bounds of accepted legal sanctions."

Marshall aid offset

WHEN Marshall plan aid ends or is reduced June 30, 1952, the impact is likely to be serious abroad. In this country there will also be consequences though Sumner S. Slichter, Harvard economist, finds a reason why they should be moderate. He explained it this way before the Dairy Industries Supply Association, Inc., recently:

"Just about the time that Marshall plan aid is scheduled to end there will be a large increase in the volume of United States savings bonds reaching maturity. The maturities of E bonds will jump \$1,100,000,000 in 1951 to nearly \$4,000,000,000 in 1952, \$5,600,000,000 in 1953 and \$6,300,000,000 in 1954. They will reach a peak in 1954. In 1955 the maturities will drop to \$5,000,000,000 and in 1956 to \$2,600,000,000.

"A large proportion of the money derived from maturing E bonds will probably be invested in new issues of government savings bonds or other securities. A good part of it, however, will be spent for goods. The net effect of the maturities will be to offset pretty completely in the United States the consequences of the end of Marshall plan aid."

Differences

ASKED for quick definitions of "wage" and "salary" you might stumble over describing the difference. Rogers & Slade, management consultants, in their house

The Price of Success

What is it that brings one man success in life, and mediocrity or failure to his brother? It can't be mental capacity. There is not the difference in our mentalities that is indicated by the difference in performance.

The answer is, some men succeed because they cheerfully pay the price of success while others, though they claim ambition and a desire to succeed, are unwilling to pay that price.



The Price of Success is—

To use all your courage to force yourself to concentrate on the problem in hand; to think of it deeply and constantly; to study it from all angles, and to plan ahead.

To have a high and sustained determination to achieve what you plan to accomplish, not only when conditions are favorable to its accomplishment, but in spite of all adverse circumstances which may arise.

To refuse to believe that there are any circumstances sufficiently strong to defeat you in the accomplishment of your purpose.

Hard? Of course. That's why so many men never reach for success, yield instead to the siren call of the rut and remain on the beaten paths that are for beaten men. Nothing of note has ever been achieved without constant endeavor, some pain and ceaseless application of the lash of ambition.

That's the price of success. Every man should ask himself: *Am I willing to endure the pain of this struggle for the rewards and the glory that go with achievement? Or shall I accept the uneasy and inadequate contentment that comes with mediocrity?*

If you are willing to pay the price of success, the Alexander Hamilton Institute can help you chart your course and supply the knowledge of business fundamentals that is necessary for well-rounded executive competence.

Since 1909 more than 430,000 men have benefitted by the Institute's Modern Business Course and Service, including many of the nation's foremost businessmen and industrialists.

The Alexander Hamilton Institute's story is summed up in a 64-page booklet—*"FORGING AHEAD IN BUSINESS."* A copy is offered, without cost, to anyone who is interested. Every business head and ambitious employee within his organization will want to read it. Simply send in the coupon below.

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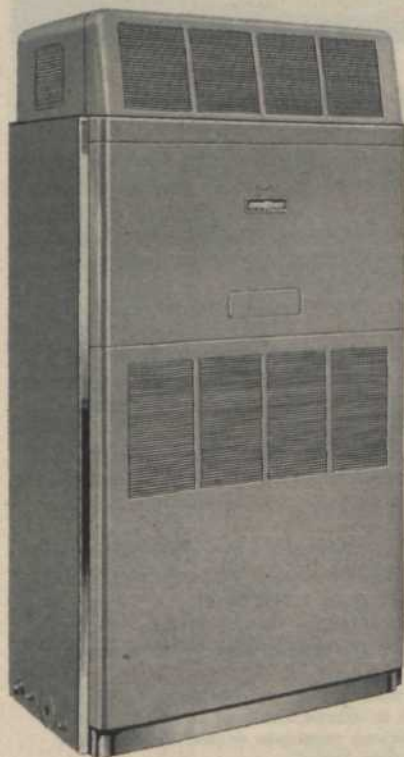


7 extra weeks of business!

"Thanks to my new Frigidaire Air Conditioners, all the local bowling leagues decided to extend their season through 7 weeks of July and August," says Paul D. Geib, owner of Ashwood Recreation Parlors, New Philadelphia, Ohio.



Make Any Season A Good Season with FRIGIDAIRE AIR CONDITIONING!



Yes, the springtime climate produced by Frigidaire Air Conditioning makes any season a good one—turns summer doldrums into a peak period. What's more, you'll find the Frigidaire Self-Contained Air Conditioner an ideal way of providing this business-building "weather." It's easy and inexpensive to install, singly or in multiple—and look at all the important Frigidaire advantages it gives you!

Good-looking. Smartly modern styling by world-famed Raymond Loewy.

Controlled Airflow. Flexible control of the airflow—on one or all four sides.

Fast-cooling. Exclusive Multipath Cooling Unit insures smooth, fast cooling action.

Dependable. Frigidaire Compressor, cooling unit and controls precision-matched for years and years of low-cost, trouble-free operation.

Quiet. Expertly applied, heavy insulation keeps noise inside—keeps moisture from forming outside.

NEW LOW PRICES make Frigidaire Self-Contained Air Conditioners and Window Conditioners really outstanding values. For full information about all Frigidaire Air Conditioning, call your dependable Frigidaire Dealer. Look for his name in your Classified Phone Book, under "Air Conditioning" or "Refrigeration Equipment."

For individual rooms, in homes, offices, hotels, and hospitals, Frigidaire Window Conditioners supply the same kind of air conditioning as big, theater-size systems. They're easily installed, powered by the famous Meter-Miser.

Over 400 Frigidaire commercial refrigeration and air conditioning products—most complete line in the industry



FRIGIDAIRE Air Conditioners



bulletin, seem to hit it nicely:

"People are paid wages for doing just the things they are told to do. People are paid salaries for doing whatever is up to them to do, without being told. The difference in words is small, but the difference in dollars is amazing."

Here is another difference quoted from an editorial by George L. Moore in *Food Marketing in New England*, published by the First National Stores. Moore devoted an issue to Middlesex County, Mass., which this year celebrates the 175th anniversary of Concord and Lexington.

"The difference between a going concern and a gone concern," writes Moore, "whether factory or a farm, is not availability of dollars but the skill with which such dollars as are available are combined with all other elements that make up a going enterprise."

Dollar gap

THE VITAL "dollar gap," which registers the difference between what we sell and what we buy abroad, was cut down sharply in the first month of this year. Our exports were reduced and our imports rose in January. The gap was only \$120,900,000 in our favor as against \$337,800,000 in December and \$513,900,000 in January, 1949.

While these were encouraging figures, foreign-trade authorities are far from thinking that the world dollar problem has eased. The Organization for European Economic Cooperation, joint agency of the countries receiving Marshall plan aid, revealed progress in its second annual report but also admitted that the most difficult obstacles remain to be overcome.

The OEEC pointed out that even before the war western Europe's exports to the United States and Canada financed only a fraction of its imports from these countries. "Invisible" exports such as tourist expenditures, shipping and insurance, and particularly dollar earnings in other controlled markets, covered the difference.

Meanwhile British exporters have heard from topflight American sales executives the facts about this market. "We don't buy goods, we prefer to have them sold to us," one leader told his audience. "In America," added another, "we don't keep things. We throw them away." And then from another high executive on this visiting team, "In America durable goods are goods that last until the final instalment payment is made."

MANAGEMENT'S *Washington* LETTER

► **BUSINESS OUTLOOK:** High, wide and handsome—through November elections.

Record sales in automobiles, other hard goods, mean efficient manufacturing rate.

Which in turn means room to reduce prices when need arises to open new markets.

Stepped-up defense expenditures will add push to aircraft, antisubmarine weapons, detection devices.

Which will spread into engines, instruments, metals, electronics, optical goods, other lines. It spreads widely in country's industrial areas.

If business slip appears during next six months Government can move up delivery dates on defense contracts, thus step up activity on these.

► **TAX COLLECTION DIP** is far deeper than business drop that caused it.

Federal income tax receipts—personal and corporation—through important first quarter were \$1,300,000,000 under year ago.

But here's point to keep in mind—taxes are paid (by corporations) on profits, and profits may drop while volume holds level, or even rises.

High taxes provide cash cushion as personal income slips.

If you're in a 50 per cent tax bracket, for example, a \$1,000 drop in income means only a \$500 cut in spendable cash. Tax man would have taken the other half anyway.

So there's a way to enjoy bad business. But don't go too far with it. This sort of thing can be overdone.

► **CASH POSITION** of business improves as postwar expansion nears completion.

There's less drawing from earnings for plant. Larger share of improvement comes from depreciation of tools and plant acquired at high postwar cost.

Resulting higher depreciation provides way for tax-free accumulation of funds.

Look behind cash figures. If the money must be used to buy a machine next year, that company is not as well off as the one taking first year's depreciation on a machine bought last year.

► **SMALLER BUSINESS** shares in cash strength, even though its volume is off.

This is indicated by insurance figures

which show, 1, smaller payrolls and, 2, fire losses holding steadily low.

► **YOU'LL HEAR MUCH** in coming months about the increasing labor force—and what to do about it.

So don't overlook the other side of the picture—disappearance from that force.

Between 1,500,000 and 2,000,000 will enter labor force this year—with big bulge coming in June.

But this year, as in other years, at least 1,000,000 will leave it through death, retirement, marriage, disability, thousands of other causes.

Net gain will be about 1,000,000, approximately the same as it has averaged for past 10 years.

Studies made by census, other experts result in estimates showing labor force will grow during next 20 years at rate slower than past 20.

Which means a lessening, rather than increasing, job-finding problem—assuming continuance of the industrial growth rate. (See President Truman's State of the Union message.)

In fact it will mean an increasing problem of finding workers to fill jobs.

Average annual increase in labor force in past 20 years has been 1.5 per cent.

Estimated rate for next 20 is 1.1 per cent, including addition of 150,000 immigrant workers a year.

Numerically outlook is for average rise of 735,000 annually until 1970.

Average since 1930 has been 780,000.

That's despite population 25,000,000 greater over the 40 year span.

One bulge will come in 1950-51 as vets add to June graduations. Another in 1960's as war babies hit labor force.

What do these figures mean to you?

Of course there will be fluctuations in labor market during next 20 years. But if these experts are right, their figures mean strong labor unions, higher pay, continuing pressure of labor-saving methods and machinery.

They mean that the mama who thinks there'll be a reckoning one of these days in the servant situation may as well get used to things as they are.

They mean small houses that can be kept without help—and big houses will continue to be a drug on the market.

Note: Get used to broad fluctuations

in labor force figures—as great as 4,000,000 in the total in a single year.

That's because they're based on survey made monthly, which includes as labor force member anyone who has worked 15 hours in previous week.

Family workers on farms, in small industries, seasonal and in-and-out student workers cause fluctuations.

► NATIONAL LABOR unions hire the best economists they can find—among those whose social concepts agree with theirs.

These experts advise unions on probable production trends, help them arrive at wage, other policies.

You can see what union economists think of current outlook by watching current demands.

During rising boom union demand was almost solely for wage increases. Then accent switched to pensions, other security issues.

Note new accent now arising from unions—for unemployment programs.

► ARE POLITICAL PARTIES planting revolt against farm-aid practices?

They don't intend to, but they may be doing it.

Billions have been spent to aid farmers since days when wind and drought turned wheat land into dust bowls, when sober, pitchfork-carrying farmers held bids to \$1 on foreclosure sales, when milk trucks were overturned to prevent deliveries at prices far below cost.

Nation moved—through Agricultural Adjustment Act of 1933 and following measures—to relieve distress.

But the distress is long gone. Times have changed, and farm prices have led the change.

They've topped all others in war, postwar rises—just as food prices have topped all others in Bureau of Labor Statistics consumers' price index.

Today Government sits on \$4,000,000,000 worth of farm products, will spend \$2,000,000,000 more to keep prices up.

Democrats seek votes with the Brannan plan of continuing and spreading farm prosperity, and charging it against taxes.

Republicans (who started farm aid in 1929 with Agricultural Marketing Act) promise they would continue supports.

All of which seems to add to farm security outlook. But does it? It adds also to farm vulnerability.

For it builds up the wall of high prices surrounding the white-collar worker, the average family head, who pays the taxes, pays the bills.

Where might he break out?

Russian rumblings keep him from demanding cut in major item of government cost—defense.

Payroll costs frozen into manufactured goods prices by union contracts make it difficult to force down these prices.

So the farmer is likely to be the first to hear him holler: "Let me up!"

You can hear it now in remarks on Capitol Hill, on street corners, see it reflected on newspaper editorial pages.

► YOU CAN KISS fair trade prices goodbye—as far as hard goods are concerned.

Beginning of the end of fair trading on many lines came when competition hit New York retailers.

Several manufacturers have brought suits against New York stores for price-breaking.

Stores say they broke them after discount houses, other dealers, broke agreed prices first.

Here are weaknesses showing up in fair-trade-pricing practices:

Trade-ins offer dealers wide latitude on real price charged for radios, television, refrigerators, other hard goods.

Premiums—a toaster with a television set—also upset fixed-price idea.

One dealer who sees another moving stocks by long trading or premium offers is likely to move his own with reduced tags.

It will take years to break down fair-trading practices—but break is started.

There won't be any flood of repeals of state enabling laws. But stores will watch for breaks—and break with any they find.

Weak spot: Manufacturers must sue retailers for cutting prices. But manufacturers want more outlets, not fewer.

Fair trading is heading back where it started—on drugstore items.

► STORES—BIG AND LITTLE—aren't chopping expenses fast enough to match sales drop.

Drop is small. But it makes big slash in profits. Department stores experiencing 5 per cent sales loss find profits down as much as a third.

Fact that store sales dropped while veterans' life insurance refund was pouring nearly \$3,000,000,000 into economy worries store executives, has

brought many of them back to take another look at costs.

► **PRESIDENT TRUMAN** will lose on all three counts of his tax proposal. He asked—

1. That excise tax cuts be limited to \$656,000,000 chopped from wartime increases.

2. That this cut be made up by closing loopholes in other tax laws.

3. That another \$1,000,000,000 in new taxes be levied, mostly against corporations.

House Ways and Means Committee this month will report bill cutting excise taxes about \$1,000,000,000, recapturing little by loophole closing, and limiting corporation increase to approximately two percentage points—or less than \$500,000,000.

Question is: If House and Senate concur in approving bill with these revisions will President veto it because it fails to meet his revenue demands?

President vetoed individual tax cut passed by Eightieth Congress two years ago—also an election year. And Congress passed it over his veto.

► **HOME CONSTRUCTION** will hold present record high level through 1951.

That's conclusion of Commerce Department experts, who list these bases:

Although two thirds of deferred demand for housing has been met, there remains demand for 1,800,000 more dwelling units.

This would include enough dwellings to establish a normal vacancy ratio.

It will take this year and next to meet this remaining deferred demand.

Since new housing developments are followed by shopping centers, other community facilities, commercial building also will remain strong.

Outlook after backlog of demand is met is not so good.

Commerce estimates "normal" demand for first few years after industry is caught up will drop to about half the units being built at present construction rate.

► **MORE THAN 13,000** pension plans cover 7,000,000 employees in U. S. industry. They're not new, in principle. They started out as management idea—and unions opposed them.

First U. S. pension was established by Grand Trunk Railroad in 1874. Next came Consolidated Edison Company of New York, in 1892. A Chicago bank started one in 1899.

It's an old idea, but 90 per cent of plans in effect today are less than 10

MANAGEMENT'S *Washington* LETTER

years old. So it's generally new in practice.

Failure to follow legal requirements may be criminally punishable or enjoined by courts.

If you're considering pensions—you must bargain on them if union asks—you should read "Welfare Plans and Collective Bargaining."

It's new study prepared by U. S. Chamber, touches on history, bargaining requirements, union-demand pattern, cost problems, pension-benefit levels, financing, administration, other points.

For a copy send 50 cents to Nation's Business, Washington 6, D. C.

► **DRIVE AGAINST U. S. oil imports** grows with coal men joining independent oil producers in promoting it.

Coal men contend foreign oil added to domestic supply results in price level advantageous to oil compared with coal.

But there's doubt that restriction of imports would cut U. S. oil supply.

Oil finding depends on demand—and price. With demand and price at present levels restricted imports probably would bring quick development of new domestic supplies.

► **CONGRESS WILL KILL FEPC**, but FEPC won't die. Here's why:

President Truman has found it a handy lever when Republicans and Dixiecrats get too close together.

► **BRIEFS:** Nation has 102 television broadcasting stations—and 75 per cent of them operate at a loss....New Defense Department telephone directory has 158 pages, in small type....Hottest subject at International Labor Organization meeting in Geneva next month will be labor courts, compulsory arbitration. South America will propose them, U. S. oppose them....Cool March may have cost you money on gasoline price. It enabled oil men to move fuel oil out of storage, make room for gas that might have oversupplied market....Bus builders look for better business this summer—after their worst year (excepting war years) since 1938....For the record: Because record manufacturers make three speeds record dealers set records in stocking records. But they don't like it. They're recording losses.

"This National machine
costs us less to use
than this pen!"



"THAT'S BECAUSE IT DOES SO MUCH OF OUR OPERATOR'S WORK AUTOMATICALLY!"

"A pen won't **AUTOMATICALLY** fill in ciphers and dates and punctuate amounts—but this National Accounting Machine will!

"A pen won't think for you—it won't **AUTOMATICALLY** add debits, subtract credits, and figure and print the new balance—but this machine will!

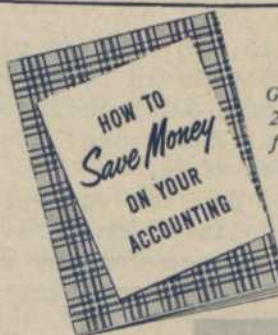
"A pen won't permit writing two or more figures at one time, nor **AUTOMATICALLY** distribute amounts into different totals—but this machine will!

"Over the life of this National Accounting Machine, we figure its yearly cost to us is

only about 10% of what we pay our operator. So even if it saved only 10% of her time, it would pay for itself. But, actually, it saves nearly 50% of her time!"

* * *

Savings vary in different offices, depending on the type of work, salaries, etc. But savings are always substantial. Ask our local representative to show you what *you* can save with this most flexible of all accounting devices. (The **MULTIPLE-DUTY** machine illustrated will handle *any* of your posting jobs.)



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TRENDS



OF NATION'S BUSINESS

The State of the Nation

EVERY thoughtful citizen has been disturbed, and is becoming increasingly more anxious, because of the accusations of communist infiltration brought against the Department of State. This collective anxiety is a far deeper matter than any partisan prejudice that may be involved.

Obviously it is serious if the executive department responsible for the planning and conduct of foreign policy has been harboring traitors and perverts. And, paradoxically, it could be equally serious if the charges to this effect were finally to be dismissed as wholly unfounded.

If one Alger Hiss is the exception to the general rule of integrity, then less damage can be attributed to him than to those who have promoted the fear of a permeating corruption.

The truth of this unsavory business probably lies somewhere between the exaggerated prosecution and the suspiciously self-righteous defense. The Department of State certainly is not, and never has been, "honeycombed with communists." As one who enjoys a wide acquaintance with its generally hard-working and well meaning personnel, I can bear personal testimony to that fact.

On the other hand, the stigma of "guilt by association," applied to individuals who have been active in communist-front organizations, is not wholly eradicated by cries of outraged inno-



Felix Morley

cence. Men are known by the company they keep. And those entrusted with the security of the nation must be, like Caesar's wife, above suspicion. That should have been remembered when quite a few wartime State Department appointments were being hurriedly processed.

Conclusions drawn from the conviction of Alger Hiss, and from the unfortunate post-mortem defense attempted by Secretary Acheson, can be and have been disproportionate. But there is one pronounced defect, widespread in the postwar personnel of the Department of State, that unfortunately lends itself to the abuse of intemperate criticism.

This Department was not the only one that was expanded and proliferated out of all sense of proportion during the war. It was, however, the only department where recruitment was largely from a particular and peculiar type. Callow college professors, with very little practical experience but an overweening sense of self-importance, were drawn into this particular agency by the hundreds. And many of them have remained in the Department of State, primarily—as some frankly admit—because they could not make as good a living if they returned to teaching.

There is no question of the basic loyalty of these extremely amateur diplomatists. But the com-



following piece of highfalutin nonsense:

For various historical reasons which may be traced back to the circumscribed influence of the Roman Empire and the rise of Christianity, the German nation has not been domesticated in the same degree . . . as the Soviet Union or China. . . . The basic problem, therefore, is to work towards such conditions as will bring about that degree of domestication and pacification among all nations as will enable them to cooperate constructively and satisfactorily.

Such turgid and virtually meaningless rhetoric can perhaps be inflicted without serious damage on college freshmen. But as a program to offset the ruthless, cynical, closely reasoned policy of the Kremlin—it falls like a house of cards. Not communist infiltration, but the varnished incompetence of State Department personnel explains the Soviet triumphs at our expense. The Kremlin may have had its agents there. But given the prior infiltration of pomposity and conceit, these agents were superfluous as workers in the communist cause.

A public reaction against the abysmal failures of our foreign policy was inevitable, and within limits is certainly desirable. The blunders that have been made are matters of life and death to all of us, and the fatuous fools who are in part responsible should not go scot-free. To accuse them of treasonable plotting, however, is in most cases to overshoot the mark. The major fault of our State Department is simple stupidity, aggravated by a singularly ill-justified, and therefore particularly irritating, intellectual arrogance.

But foolish men, in positions of power, can do almost as much actual damage as evil men. For that reason the traditional American way has been to demand a record of performance as prerequisite for the allocation of power of any kind. This precaution has been coupled with constitutional measures to prevent any arbitrary concentration of power, whether in the religious, social, economic or political fields. By making the acquisition of unbridled power extremely difficult we have discouraged both fools and knaves, and have prospered as a people accordingly.

Moreover, the American people have always risen to denounce concentration of power, no matter where or when exhibited. The slave-own-

ers were an early and obvious target. They were followed, as objects of general condemnation, by the "robber barons" of trust-busting days, by the "merchants of death" who made munitions, by "international bankers" and, more recently, by the new tyrants of industrial unionism. The present criticism of the State Department is in the same tradition. Fundamentally it is not directed against individuals but against a group that has usurped an undue share of power, utilizing this power not in the national interest but primarily for the enlargement of its own petty prerogatives.

Viewed in this light, the widespread condemnation of the Department of State should cause less anxiety, but also more consideration of a philosophic nature.

The instinct that animates the current attack on concentrated power is sound. That attack cannot be conducted in generalities. Inevitably it focuses on suspect individuals. But when the individual is singled out, especially in terms as emotional as those connected with espionage, the underlying principle is lost to sight. We tend to forget that what we really criticize is that concentration of power which our federal Constitution seeks to prohibit. We neglect our impersonal political ideals when we indulge in strident personal criticism which easily may be grossly unfair to individuals and is of little constructive value.

History has cleared the personal record of John C. Calhoun, once widely reviled as the archetype of slave-owners. It has done much to redeem the vilified names of Andrew Carnegie, John D. Rockefeller and Pierpont Morgan. Those who personally know John L. Lewis realize that in private conversation he is one of the most charming, modest and kindly of men. So it is with many an individual who became a target of criticism, not for his personal deficiencies but because he seemed to his contemporaries to exemplify a concentration of power hostile to the general welfare of this democratic republic.

Today the same applies to the well meaning personnel of our Department of State. They have been given more power than is good for them, and more power than they are competent to handle. That situation should be rectified, and it is the duty of the opposition in Congress to force the issue.

This end could be achieved, however, with far less personal injury to individuals. Few, if any, State Department employes are as bad as painted. And if some have become intoxicated by drinking from the well of unbridled power, that is a venial rather than a mortal sin. Let us save some of the recrimination for ourselves—who have so blindly given the federal Administration powers of government that should never have been surrendered to any appointed group. —FELIX MORLEY

SINCLAIR.. REPORTS FOR 1949

SALES AND NET EARNINGS were the second largest in our history, exceeded only by the record year 1948.

EVENTS OF 1949 reaffirmed the important truth that there is a virile, militant competition in the oil industry, and that our economic laws are still paying the highest rewards to the low cost producer.

TRANSPORTATION—We are now beginning to enjoy maximum benefits from our vast network of products pipe lines, which have required large capital expenditures, but which result in low operating cost. It is doubtful that any other company is in a position to do a more economical job in transporting raw material to refineries and then moving products to markets.

MARKETING—We are reducing marketing costs by withdrawing from high-cost areas,

and concentrating in low-cost areas. We are constructing a sufficient number of new and modern Sinclair service stations throughout our preferred marketing area.

MANUFACTURING—In manufacturing, Sinclair is also in an especially fortunate position from a cost standpoint. Supported by one of the best equipped research laboratories in the world, we will continue to make products of the highest quality at low costs.

OUR GOAL FOR 1950 is to attain the most efficient and economical operation of the immense facilities we possess in the best interests of stockholders, employees and the public. The Company intends to continue to press forward its important program of increasing its own domestic crude oil production.

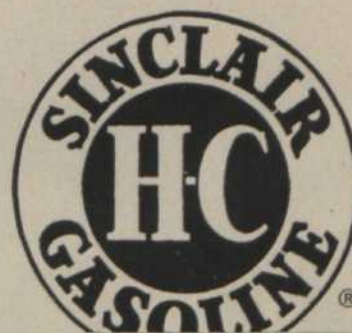
P. C. SPENCER
President

A TWO YEAR SUMMARY

	1949	1948
Net Income	\$ 54,073,338	\$ 81,048,602
Working Capital	192,670,120	187,922,695
Cash & Government Securities	133,586,973	138,062,802
Stockholders Equity	441,899,280	411,769,520
Book Value)	36.90	34.38
Net Income) Per Share	4.51	6.76

Copy of the 1949 Annual Report will be sent upon request.

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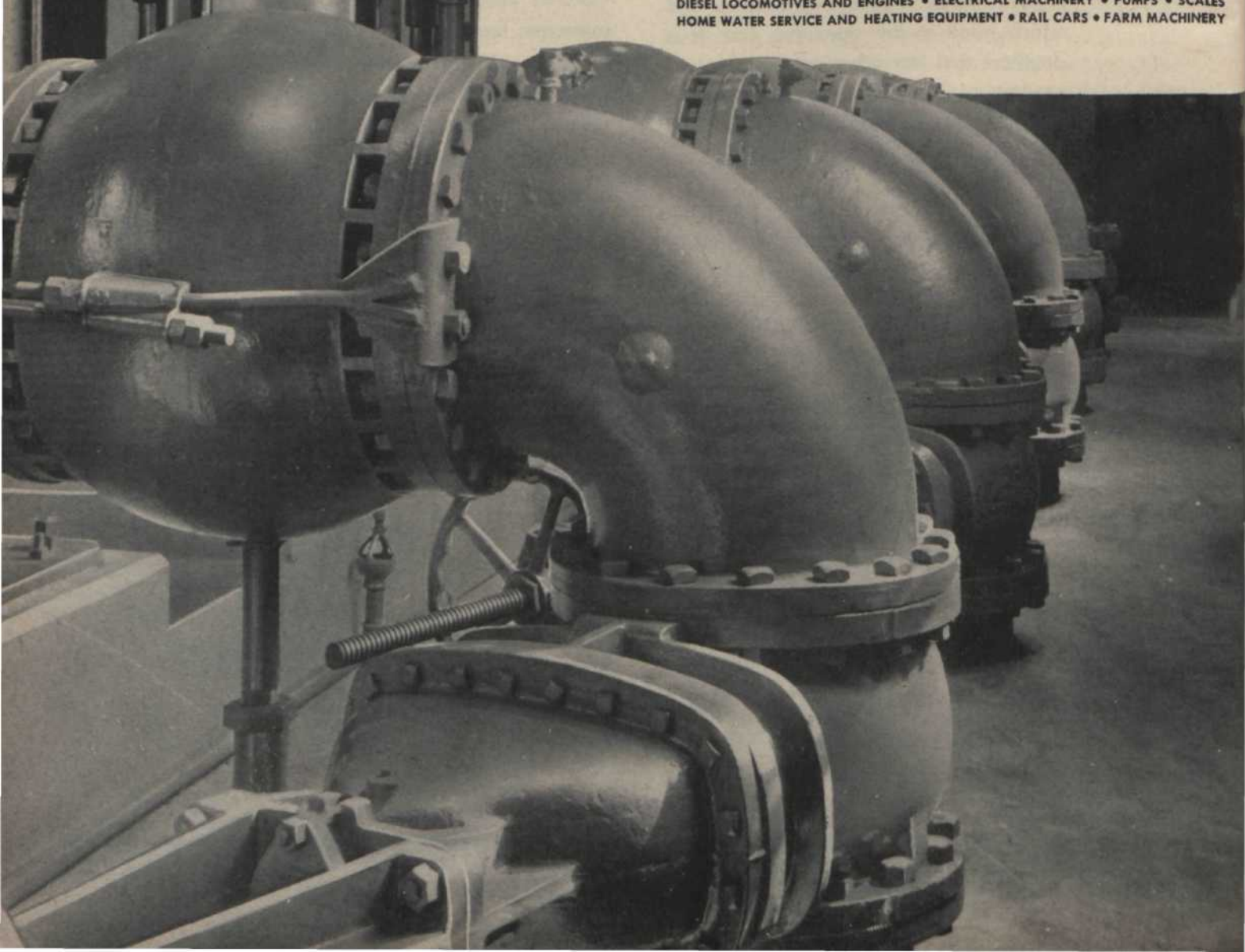
In any pumping operation, whether the requirements involve a few or thousands of gallons per minute, the name to remember in pumps is Fairbanks-Morse for efficiency... economy... dependability. Fairbanks, Morse & Co., Chicago 5, Illinois.



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HOME WATER SERVICE AND HEATING EQUIPMENT • RAIL CARS • FARM MACHINERY



The Month's Business Highlights

IF ANYTHING is developing that is likely to slow down business in the next 12 months it is yet to be discovered. Unemployment has increased but it has been in the face of flourishing business and industry. Expansion of the economy apparently is not proceeding rapidly enough to take care of new workers entering the labor market.

That trend probably will not be reversed until the tax structure is revised to encourage the investment of private capital in employment-making enterprises.

The economy has the vigor and the resources to supply all the equity capital needed to provide jobs for the growing population, but such investments are not attractive under present taxation policies. Most of the other methods being suggested to provide business loans and risk capital are open to question. "Capital" banks in the Federal Reserve system have been suggested. That is not a proper function of a central bank. More than that, such an operation diverts attention from the central bank's principal functions. Government insurance of loans is debilitating and makes for regimentation.

Practically every business indicator is favorable. Wages and salaries are three times the 1939 figure. Consumption expenditures are practically at the 1948 level and \$112,000,000,000 above the 1939 total. Production is going full tilt. Government spending will be reduced only slightly. Equipment expenditures by railroads and mining companies are up. Agricultural income, while running less than in 1949, has not fallen as much as was anticipated. Business has completed its inventory adjustment. No letup in the demand for houses and automobiles is in evidence. Orders for machinery are increasing. Prices are steady. The industrial index is headed for 190 again. Falling food prices make more money available for other purchases. At the same time farmers are not materially reducing their expenditures. Defeat of middle-income housing legislation will take some pressure off available supplies of building materials and construction labor. There is danger, however, that the increase in unemployment will provide an excuse for additional public works, which would add to the badly inflated state of the construction industry.

Whatever danger exists in the situation is not likely to strike within a year. It does not lie in the over-all expansion that is taking place. The



Paul Wooton

amount of credit that is being extended in certain fields is reducing the amount that can be expended in others. Great temporary stimulation is being given such industries as construction, auto manufacture, furniture, and television. When retraction comes there will be trouble, but that is more than a year away.

Business leadership is being urged to take immediate steps to prevent the development of chronic unemployment. If this is not done it is certain that Government will take steps to provide employment. As those steps will not be pleasing to business, the hope is expressed that concerted efforts be made to clear away obstacles and provide the jobs for those willing and able to work.

Unemployment is not as bad as numbers indicate. The economy is in process of readjustment after a period of inflation. In the effort to lower production costs less efficient workers are being weeded out. The higher minimum wage has speeded up that trend. Not only that, the minimum wage has caused the abolition of many jobs. Higher wages mean fewer workers. Some claim that 3,000,000 jobs have been wiped out in the field of domestic service. While the minimum wage does not apply in that activity, few are willing to work for less. When the cost of meals is included, the cost of a household worker runs close to \$2,000 a year. The number of families that can afford that outlay is limited. Others who can afford it prefer to use that money in other directions. Windows go unwashed longer. More prepared foods are used. Yards and gardens receive less attention. It is not the new workers who are suffering. A large proportion of them are being employed. They are displacing older workers who are not as efficient. The unemployed total is swollen by the fact that unemployables still are being carried as unemployed.

Terms under which the coal strike was settled started the ball rolling for another round of wage increases and pensions in other highly organized trades. Labor leaders pay no attention to the fundamental fact





OF NATION'S BUSINESS

that earnings in terms of goods can increase only through greater productivity. Higher wages for favored groups, obtained by tough bargainers, backed by Government, levy a heavy tax on less-favored working groups and on all consumers. Increases that already have been granted and those in prospect threaten to bring about another dose of inflation. When the turn comes the economy will have a higher point from which to fall. Inflation is a greater threat than superbombs. Bombing is an outside force which it is possible to avoid or combat. Inflation is a destructive force operating inside our economic system. At this stage the redistribution of real income which inflation brings about is neither needed nor equitable. It is only destructive.

A majority in Congress realizes that some way must be found to protect the economy from destructive strikes, but it would be difficult to obtain constructive legislation in an election year. It also is agreed that the chances of obtaining a fair and unbiased bill would be better when no emergency exists.

Labor leaders should be able to see that in the long run they will lose by disregarding the public interest. The sad truth is that thus far they have found that it pays to coerce the public. Since each strike that threatens to cause a national emergency presents peculiar problems, it has been suggested that a special bill deal with a particular strike at the time. The trouble is that Congress is not always in session. Tense feelings at such a time would introduce political considerations that would prevent prompt action.

Congress, in considering appropriations for Marshall plan aid, accumulated a great mass of data. One of the over-all deductions that may be drawn from these data is that the cold war ultimately will be won by the system which promises most in standards of living and human contentment. The principal objective of the United States is to encourage the development of a western world that will demonstrate the superiority of the capitalistic system. "Total diplomacy" is not a good slogan. It does not suggest what "total" means or what "diplomacy" means.

"Nonaggression strength" is a better phrase. The major objective of a policy of nonaggression strength is to surround Russia and her satellites with countries that are relatively more prosperous. In the end it is believed that the effect will be to force the modification of the Russian system and to diminish political aggression, thus leading to the gradual substitution of peaceful competi-

tion for world markets. It is a policy calling for calculated risks and one which can hope to succeed only with bipartisan support. Russia's belligerent attitude is putting a definite check on a resurgence of isolationism and prevented a deeper cut in Marshall aid funds.

With the idea of promoting triangular trade the idea that the United States should assume a part of the claims on sterling is being considered. Those claims already have been written down in terms of dollars. Probably they could be written down further. A part of the blocked sterling is needed to provide working balances. Some could be funded and the rest made convertible.

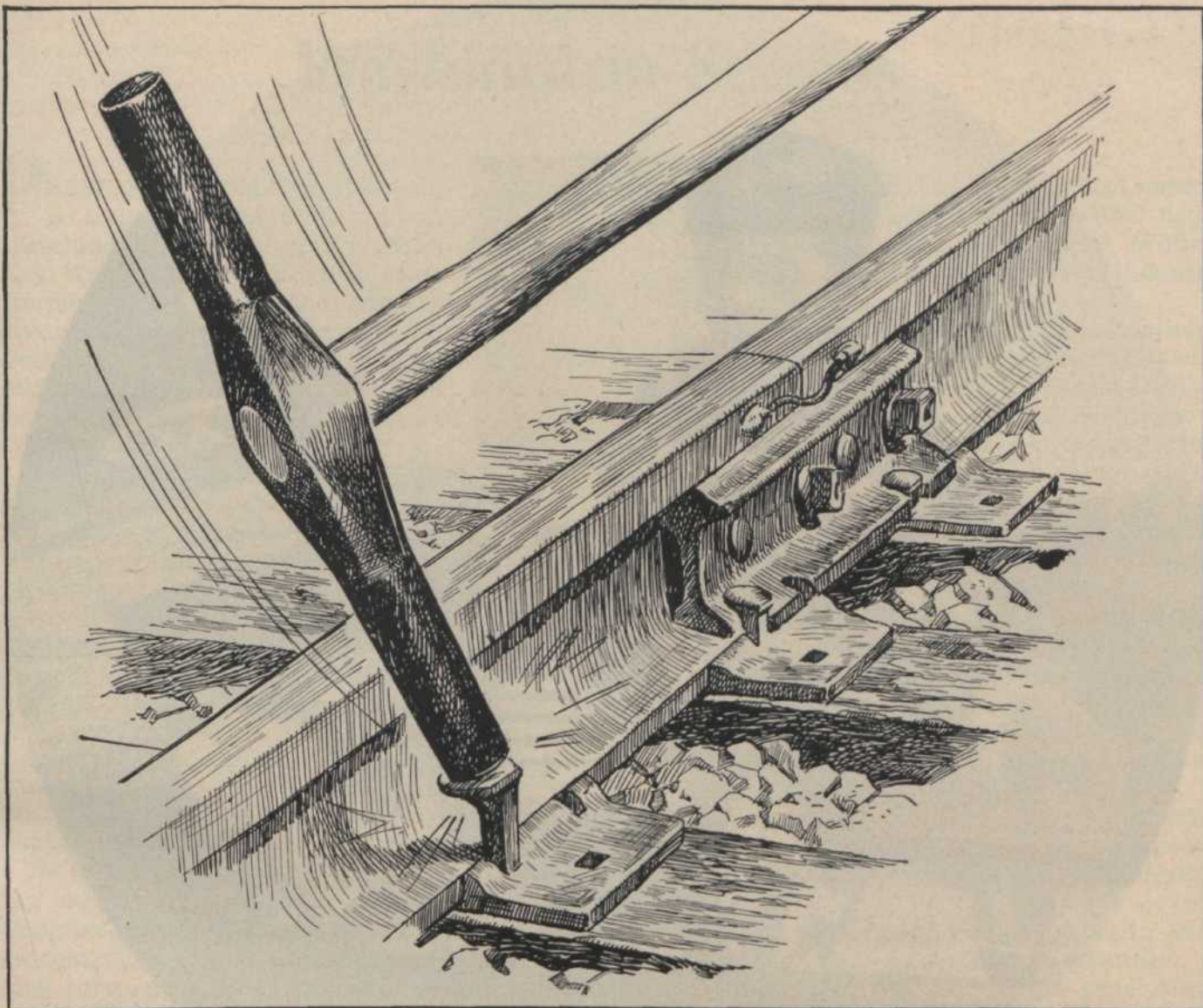
Much of the discussion of government bond prices puts the cart before the horse. When the Treasury comes out with its new offerings of long-term bonds it is certain to be at a time when market conditions are easy. It certainly will not use its influence to encourage higher rates prior to the offering.

Observers continue to predict that the next Congress will be more conservative than the present one. The current trend, they say, favors less government participation in economic life.

Here are some developments that have deep significance to business as a whole:

Present feed supplies are sufficient to produce 100,000,000 hogs a year. . . . Increases in cattle numbers were double the estimates (cattle represent 75 per cent of all livestock). . . . Britain's curb on sterling-area sales of fuel oil and gasoline gives long-term commercial advantages to British and Dutch that may eliminate American companies from international oil trade. . . . Grove prices in the Florida citrus belt have doubled because half the crop now goes to market in cans. . . . Growth of frozen citrus concentrate industry is a commercial sensation. . . . Responsibility for putting a floor under more than \$20,000,000,000 of farm business has been laid at the door of the Commodity Credit Corporation. . . . CCC inventories likely will pass \$3,000,000,000 next year. . . . American consumers are making one third of all purchases at durable goods stores. . . . Rayon manufacturers are convinced that demand for yarn this year will be greater than they can supply. . . . Construction of a large new steel plant at Trenton, N. J., and a \$30,000,000 expansion of facilities at Sparrows Point, Md., both in exposed positions on the east coast, is causing concern from the security angle. . . . Banks are objecting strenuously to the "invasion" of their field by the insurance companies, whose lending policies are being liberalized.

—PAUL WOOTON



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Of all the forms of inter-city commercial transportation, only the railroads don't say, "let George do it."

Unlike their competitors...who have outgrown the "infant industry" stage, but who still rely on help from the people's tax dollars...America's self-supporting railroads pay all their own costs of doing business. And that is good news for "George."

For after all, who is this fellow "George" who is building and maintaining the highways, waterways and airways that other carriers use as a "place of business" for private

gain? He is every taxpayer in America. "George" is...you!

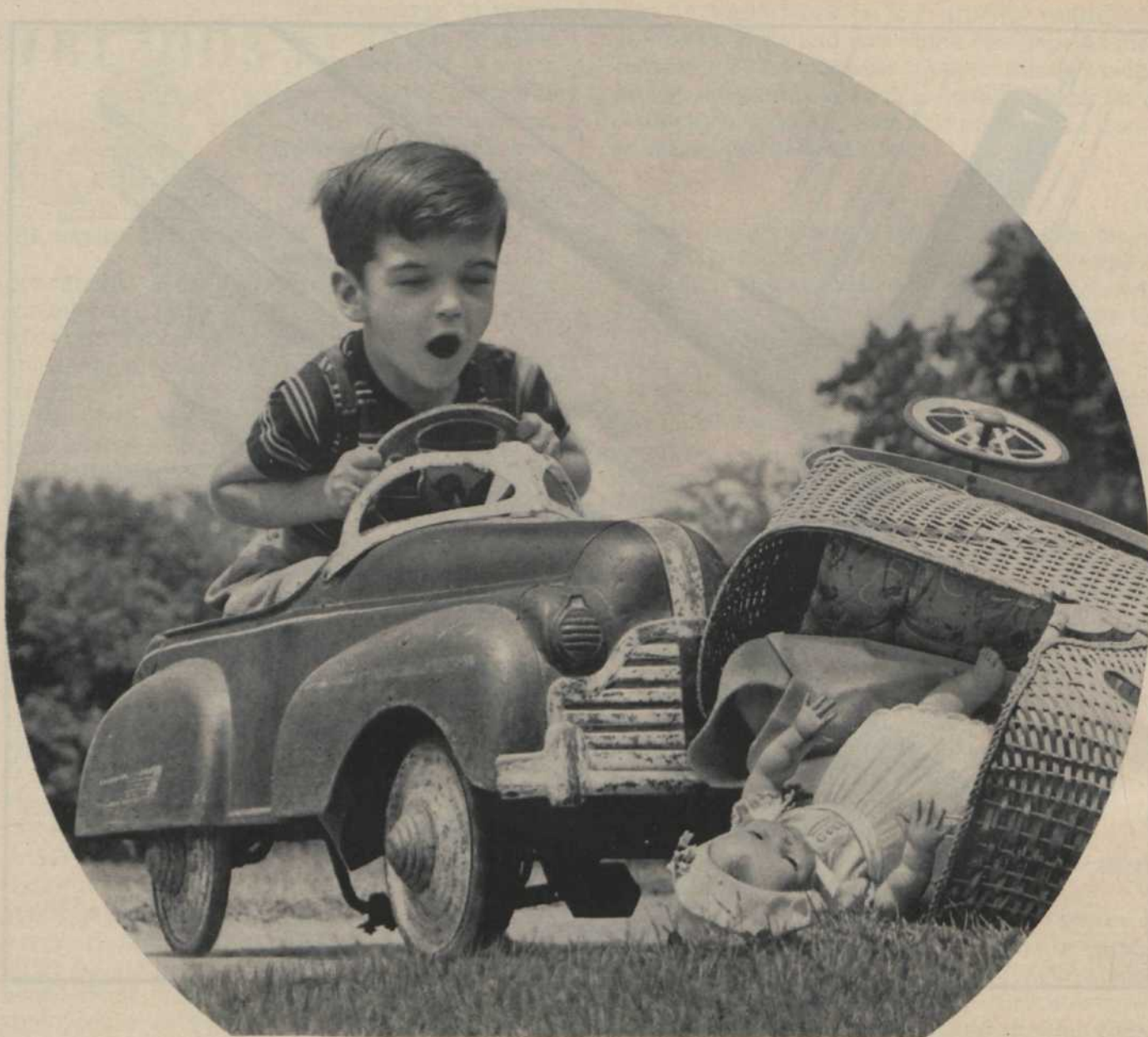
But you don't do it for us, "George." The railroads pay their own way...in the time-tested, traditional American way. It isn't easy...especially when we have to compete for business with subsidized carriers. But it's easier on you and your pocket-book, "George"! And it's better for our country, too. Because in the long run, private industries...like private citizens...must be independently self-reliant if America's greatness is to endure.

Ernest E. Harris
President



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Washington Scenes

PRESIDENT TRUMAN is getting to be a stranger around here. First, there was his month-long vacation at Key West, and now comes a barnstorming trip across the country aboard his private railroad car, the Ferdinand Magellan. This, we are told, will be followed by other such excursions when the 1950 battle for Congress really gets going.

The spectacle of a President campaigning like this in a mid-term or off-year election may not be unprecedented, but it certainly is unusual. In the case of Mr. Truman, it amounts to a complete turnabout.

In the off-year campaign of 1946, it will be recalled, he never left the White House and never made a speech except to announce the removal of OPA controls on meat. The upshot of his silence was a smashing defeat for his party at the polls. Loss of Congress to the Republicans that year was one of the most humiliating experiences in Mr. Truman's career, and one from which he learned a lot.

He is going to the country this year, hoping not only to hold the Democratic majorities in Congress, but to increase them if possible. His campaign plans are almost as ambitious as if he were running himself, and he seems eager to get going.

Once again he will be out where the people call him "Harry," something nobody ever calls him around here except the First Lady. Bands will play the "Missouri Waltz" as his train rolls into the whistle stops; proud fathers will hold their kids aloft so that they can see the First Citizen; women will remark on how much better he looks than his pictures; and, if he is in form and talking off the cuff, a lot of people will be smiling when it is all over. He puts on a good show.

• • •

Mr. Truman is the first big-time politician since Al Smith who has the gift of making people laugh without seeming to try. His humor is old-fashioned, often unstudied. Consequently, it is refreshing to Americans who are fed up on gags and wisecracks.

Sometimes Mr. Truman uses expressions that go back to his grandfather's time, but strike today's voters as funny nevertheless. For example: Traveling across the country in 1948, at a stop in Reno, he denounced his Republican foes in the Eightieth Congress as "mossbacks." Some of the



Edward T. Folliard

younger political reporters had never heard the epithet before. Neither had Jack Romagne, the official White House stenographer; he wrote it down "moth bags."

The Chief Executive's destination out west this spring is Grand Coulee Dam, where he will take part in a dedication ceremony. This recalls his earlier visit there, and is a reminder to political reporters that he is a man who must be watched closely, if they don't want to be scooped. No man in

the history of American politics ever made so much news without knowing it.

On this previous trip, which took place in June, 1948, the Truman Special got into Spokane, Wash., early in the morning. Some of us didn't pay much attention to the President on arrival, thinking we would be earning our pay if we covered a speech he was to make in Spokane later. This was a mistake.

Mr. Truman, standing beside his train, fell into conversation with Ray Feltner, a reporter for the *Spokesman-Review*, and soon was shooting from the hip.

"Mr. President, how do you like being in Republican territory?" asked Reporter Feltner.

Mr. Truman knew that Feltner's paper was against the Administration. He mentioned this, likening it to the *Chicago Tribune*. He said, with some bitterness, that he hoped both papers got what they wanted in the election of '46. Then, racing along, he described the Eightieth Congress as the "worst" in history.

Some of the reporters assigned to the trip heard Mr. Truman's remark, and quickly put it on the wire. Most of us missed it. Of course, what the President said so casually was big news when put into headlines ("Truman Lashes Eightieth Congress as History's Worst"). What he had to say later in his scheduled speech, delivered before a big crowd in Spokane, was tame by comparison.

Those of us who had been caught napping when Mr. Truman made his train-side remark felt put out, not to say guilty, and were determined to ask him to elaborate on it at the first opportunity. We got our chance about two hours later while the President was





standing above the tremendous fall of the Grand Coulee Dam.

Joe Short, of the *Baltimore Sun*, and I put it up to him: Had he said, and did he really think, that the Eightieth Congress was the worst in history? Mr. Truman re-

flected a moment, grinned, and said:

"I think the Thad Stevens Congress was a little worse."

He was referring to the post-Civil War Congress in which Thaddeus Stevens, a Pennsylvania Republican, headed a radical bloc that thought the South ought to be treated as a conquered enemy; and so launched the reconstruction program and impeached President Andrew Johnson.

We remembered that Mr. Truman's grandfather, on one side, fought in the Army of the Confederacy. This may have had something to do with his deciding that the Eightieth Congress was not the worst, but the second worst. At any rate, it was an interesting example of a politician working out what was to be his big issue of 1948.

To get back to Mr. Truman's barnstorming program for 1950, the Republicans are reacting to it in different ways. Some say it is a good sign—that it means he is fearful of a G.O.P. victory in November. Others complain that the President is getting ready to play politics when he ought to be at his post here in Washington.

Well, as mentioned earlier, nobody can say that he hasn't tried sticking at his post. His passive role in 1946 makes a very unhappy chapter. They used to say at the White House in those days that Mr. Truman felt that the best politics was no politics, which, of course, was just an alibi.

The brutal truth was that in 1946 a speech by Mr. Truman was regarded as a liability. The Democratic National Committee, then headed by the late Robert E. Hannegan, preferred that he keep quiet. It was the same with Democrats who were running for the Senate and House. The last thing they wanted was a boost from the man in the White House; they figured it would be disastrous.

Fantastic though it seems now, Henry Wallace was regarded as the Democrats' No. 1 orator that year, with Sen. Claude Pepper of Florida rated as No. 2. The party was still trying to cash in on the popularity of the fallen Roosevelt, and Wallace and Pepper were supposed to be the leading exponents of his kind of liberalism.

In desperation, the Democrats provided their candidates with recordings of Roosevelt's speeches, or parts of his speeches, so that they

could be broadcast in the final weeks of the campaign. These voice-from-the-grave platters were an indication of how low the Missourian's own stock had fallen.

Mr. Truman became the object of pity and scorn. His Gallup popularity graph, which had reached a record-breaking high of 87 per cent shortly after he entered the White House, nose-dived to 32 per cent.

Why? What happened?

Some of Mr. Truman's friends say now that his troubles grew out of the fact that he was too conscious of being Roosevelt's heir, and tried too hard to carry out Roosevelt's program. They point out that things began looking up for him as soon as he started being himself.

Well, that may be debatable. This much is a fact: At the outset of the 1946 campaign, along in August, strategists in both parties were predicting a "hoss race." The picture changed in September and October; changed, that is, in favor of the Republicans. Three things were primarily responsible—the Wallace affair ending in his dismissal from the Cabinet: the meat shortage: and strikes.

In a tour of the country that autumn, I heard voters say that the President was "weak," that he was "dumb," and that he was "over his head." Plainly, many people were afraid of him. This, undoubtedly, had a lot to do with the Democratic Party's defeat, more, certainly, than the shortage of meat.



The final blow for Harry Truman in '46 came right after the election. A member of his own party, Sen. J. William Fulbright of Arkansas, suggested that he ought to resign and give the Republicans complete control of the Government. Fulbright wanted the President to make somebody like Vandenberg Secretary of State, and then step aside for him.

It is conceivable that if the '46 election had been held a month or so later, the Democrats might have won. Anyway, Mr. Truman's stock began going up within a few weeks. He took on John L. Lewis, prosecuted him in the courts, and whipped him—something Roosevelt had never been able to do.

Politically speaking, he has been doing pretty well ever since.

Mr. Truman's critics no longer say that he is "weak." They are more likely to quote Shakespeare and ask: "Upon what meat doth this our Caesar feed, that he is grown so great?"

Truly, four years have seen a great change. But the real point in talking about 1946, while looking ahead in 1950, is to point up something that politicians never overlook; and that is the importance of "breaks" as well as hard work in an election campaign.

—EDWARD T. FOLLIARD

Stockholders get 5¢ from each Union Oil 1949 sales dollar

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2. Out of every dollar paid in by Union Oil customers during 1949 the employees received 14¢ in wages, pensions and other employee benefits. Since these wages and benefits were divided among 7,316 employees, they averaged about \$4,700 per employee.

3. Out of every dollar paid in by Union Oil customers during 1949 the federal, state and local tax collectors got 18³/₄¢*. So the tax collectors got almost 4 times as much money as the owners and 1 1/3 times as much as the employees.

*This figure represents taxes on all our products—fuel oils, asphalt, lube oil, greases and gasoline. When our customers buy gasoline, 31¢ of each dollar they spend goes to the tax collectors.

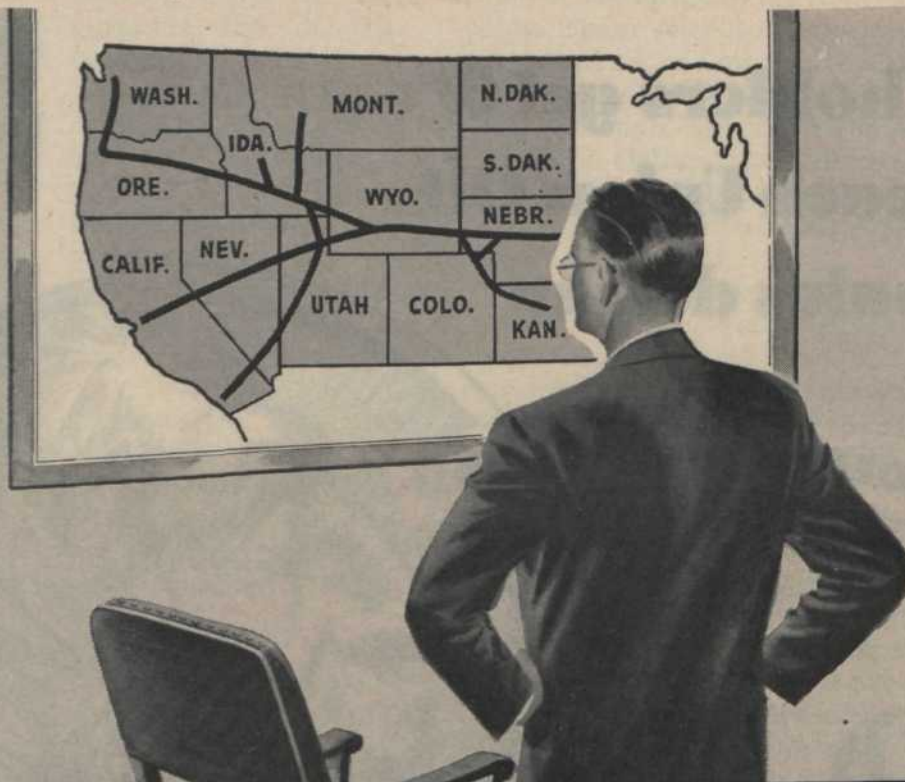
4. "Cost of Doing Business and Expansion and Replacement of Facilities" includes following:

Raw materials	26 1/4¢
Transportation	7 1/4¢
Supplies, power, exploration, selling expense, etc.	14 1/4¢
Interest	3/4¢
Expansion and replacement of facilities	13 3/4¢
TOTAL	62 1/4¢

UNION OIL COMPANY OF CALIFORNIA

INCORPORATED IN CALIFORNIA, OCTOBER 17, 1890

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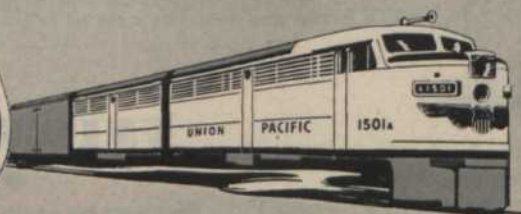
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RUSSIA'S *ACHILLES' HEEL*



By WILL LISSNER

ONE OF the scandals of last fall's harvest in the Ukraine, breadbasket of Soviet Russia, took place in Rezhulinsky. Comrade Shevchuk, chairman of the village soviet; Semyon Gur, its secretary; and Comrade Bychkovsky, agent of the provincial finance department, had been winking at the plight of collective farmers unable to meet the State's onerous tax exactions in money and kind. Peter Gura, night watchman of the Bolshevik Collective Farm, betrayed them to the watchdogs of the State.

Through a political ally, District Prosecutor Kashchuk, the officials tried to silence the watchman. Gura was convicted on an accusation that his wife had sold corn obtained for seed from the Government. His property confiscated, he was dispatched to a slave labor camp. But Gura had powerful friends. After an appeal to the Ukraine Supreme Court was lost, the Ministry of State Control, the MGB, the branch of the secret police that handles government cases, showed its hand.

The MGB investigated. It found Kashchuk guilty and its informer innocent. The Supreme Court reversed its decision. The prosecutor was fired, expelled from the communist party, and sent to take Gura's place as a slave laborer. Then the MGB went after Kashchuk's three allies.

This was not a mere factional fight. The same party and government press that reported this incident reiterates that similar "violations" of Soviet law are "widespread." Rarely are the reports so detailed. Never are the MVD, the Ministry of State Security, or the MGB, its more exalted twin, mentioned as such; the reference is to "proper authorities," "deprivation of liberty" and "corrective labor." But in the shadowy background of these scandals is the secret police.

Why must the Russians continually resort to the knout of the police inquisitors to keep their farm

system operating? Is agriculture—as one of the world's experts on the Soviet farm economy reported recently after years of investigation under the auspices of Stanford University and the Rockefeller Foundation—Russia's Achilles' heel?

This question goes beyond the peaceful contest between capitalism and socialism for the allegiance of the world's masses. Over and above this contest is the aggressive struggle being waged by the ever-expanding Soviet empire for world domination. A conquering army, as the military adage has it, marches on its belly. In estimates of a probable enemy's military potential, crop and population estimates and forecasts have an important place.

Before we can make up our minds about the ade-

DURING the last war Russia's farm effort failed. Despite food shipments from the United States, Canada and Great Britain, large sections of her population barely survived. If the Atlantic Pact countries were her enemies in another long conflict, could she feed herself and her satellites?

quacy of Russia's food supply, we have to explore the labyrinths that lead to it. How many mouths do the Russians have to feed in peacetime? Since a soldier requires more food than a civilian, how large an army, navy and air force would be required for the next war? How do present crops meet this need? How well can the harvests be maintained by the farm labor force that is left?

How likely is it that a wartime labor force may harvest larger crops, as the United States did during World War II?

Exactly what the population of the Soviet Union is today no one knows. The last census was in 1939

MILITARY men estimate that the Soviet would need an army, air force and navy of more than 12,000,000 men and women. To raise this number some 10,000,000 workers would need to be drafted. This would leave the U.S.S.R.'s economy bleeding and weak

and the Russians, for some good reasons and some poor ones, found it unsatisfactory. The Russians now have some rough estimates and we are obliged to rely on them. The only consolation is that estimates by American experts are only slightly lower.

Russian estimates put their total population at a little more than 200,000,000. In spite of war losses, the natural increase plus the acquisition of other large populations has boosted the Soviet Union nearly 30,000,000 since the last census. Russia has 16 per cent more mouths to feed than before the war.

The experience of the last war showed that by rationing and priority feeding—taking long chances that sections of the population will starve if the droughts that are ever-recurrent should strike—Russia can maintain armed forces that, at full strength and with complete mobilization, will total 8,000,000 men and women. For a major war, however, assuming that it would be a long war like all modern conflicts and not one brought to a conclusion by an atomic or hydrogen bomb blitz, military men estimate the Soviet Union would need effective forces for its air force, army and navy, totaling 12,- to 13,000,000.

At the rate of change from partial to total mobilization of the economy in the last war, it would take three to five years to reach this strength. With better preparation and more efficient transformation of the peacetime economy to war production, it might be achieved in two to three years. A substantial part of the equipment would be obsolescent and a significant part would be the same primitive horse-drawn trucks that were used in the last war. Units would include the best in tanks and combat planes as well as respectable bomber formations,

but its predominant weapons would be the rifle and the bazooka. It could be matched by forces many millions less in number if their equipment were balanced and adequate; but for Russia's total situation, its forces would be the best that could be mustered.

The Russians themselves do not yet know how many of these 13,000,000 effectives must be drawn from the Soviet Union proper. The western and eastern satellites would reduce this number by whatever they could contribute. Soviet marshals, openly as in Poland, Rumania and Bulgaria, secretly in the other satellites and China and Korea, are trying to build up effective allied armies. But the human material is of poor quality, especially for modern warfare. Only Czechoslovakia and north-east China are in a position to contribute arms, to any significant degree.

The upshot of all this effort is likely to be that the Soviet Union will have to contribute 10,000,000 or more of its best farm and factory workers instead of the 8,000,000 it could give without excessive strain. Allowing for the shift of farm workers into war industry and military service, this would mean that a farm labor force 20 per cent fewer in numbers would have to produce five to ten per cent more food than in peacetime. Probably a larger increase would be needed.

So far we have come up with rough answers to questions that even the Russian experts, today, can answer no more accurately. Give Marshal Rokossovski and his brother officers from the Soviet army more time and they will be able to do better. But, when we try to estimate Russia's present food crops, we are on no firmer ground. Economic statistics in Russia are military secrets and the underlying figures themselves are frequently subject to a wide margin of error. The fragmentary information available and the propaganda claims demand long expert study before they yield a scrap of fact.

Lately, however, the researches of Dr. Naum Jasny, an agricultural expert who served the Soviet as well as the Czarist Government (and during the World War II, the United States Government), have yielded much of the material needed for a realistic appraisal of Russia's present food position.

The foodstuff of prime importance is bread. With potatoes (as vegetables and as beverage) as a supplement, it accounts for 70 per cent of the calories. Grain and what the Russians call "grease" or fat are the staples of Russian daily nourishment. In his book on the Soviet war economy, former Deputy Premier Voznesensky wrote that grain was the sole answer to the problem of nutrition during the last war.

This year, if the weather is normal and the crop yields, as is likely, do not drop below 15 bushels per acre in the field, the planned acreage under the Fourth Five Year Plan should yield a barn crop of 85,000,000 tons of grain, according to Jasny's calculations.

Although Ivan Benediktov, Soviet Minister of Agriculture, claims the output of grain, potatoes and other basic agricultural products has passed the prewar level, Soviet statistics do not bear him out as far as the grain crops are concerned.

The Central Statistical Bureau's figures on the size of the 1949 grain crops in the field, before harvest deductions and losses, indicate their field crop estimates totaled 122,000,000 tons. This includes the output of the grain-producing areas in parts of the Baltic states, eastern Poland and the Balkans which were Russia's loot from the last war. The

smaller territory that was in the Soviet Union before the war alone produced, in the field, more than 100,000,000 tons.

Dr. Jasny's estimate of the grain that actually will be harvested and later become available for mass feeding, 85,000,000 tons, means that the total of grain harvested will be only 15 per cent larger than the net output of the '20's. It will be ten per cent less than the prewar level. In other words, with ten per cent less grain, Russia this year must feed 16 per cent more people.

In addition, Russia has political commitments that she did not have before the war. She can default, as she did last year, on those to the west. In the Soviet sphere that is not so easy. Russian grain ships have kept Albania in bread for several years, for example. To a certain extent, Russia can draw on the food supplies of the satellites, such as the potato crop of Poland, or the wheat crop of Rumania, breadbasket of eastern Europe. But when last year's drought hit parts of Rumania as well as Bulgaria, Russian grain shipments were needed to keep down unrest in Bulgaria.

China is the latest mendicant on the Russian breadline. Already, many months before it was expected, famine is ravaging populous areas in the land of Mao Tse-tung. But the negotiations in Moscow early this year indicated Russia had counted on tapping the North China rice crop!

For Russia to have demanded grain from a famine-stricken satellite was no mere expression of the imperialistic greed that has characterized her relations with Rumania. It was a realistic statement of Russia's needs. The fact is that the great grain-surplus areas, apart from those of the Ukraine and Rumania, are outside the new Soviet empire that runs from Berlin to Pyongyang.

Russia's irrigation schemes are needed to halt the encroachment of the desert; they give no promise of driving it back. If surviving trees instead of propagandists' dreams can be made to emerge from the afforestation scheme of December, 1948, it still would be generations before the arable land area was increased.

The reality Soviet military planners have to face has been pointed out by George B. Cressey, economic geographer of Syracuse University. The country has 8,000,000 square miles, larger than the United States, Canada and Mexico put together. But its agricultural zone is only 1,000,000 square miles, of which it actually cultivates only 600,000 square miles. The United States—hardly comparable, for Russia is an Asiatic Canada—has an agricultural zone of 1,900,000 square miles (1,200,000,000 acres) of which it actually cultivates 630,000; 1,100,000 square miles are in open pasture and range.

In arable land area the two countries are roughly matched, although in soil, climate and other factors, of course, the United States has the advantage. But from its land the Soviet Union has to support a population one-third larger.

By draining and clearing land in the agricultural zone and bringing it into cultivation with enormous—but not uneconomic—amounts of manure, lime and commercial fertilizer, the Russians could increase their total farm output by 25 per cent, Dr. Jasny estimates. But this would take at least 20 years. Moreover, it would require that the Russians sacrifice their intense drive for industrialization—a thought the Bolsheviks never have given the slightest consideration.

Further mechanization might yield a substantial

gain in output. But the Russians already have introduced farm mechanization on a wide scale at great sacrifice. Soviet farms are not the most mechanized in the world, as the propagandists claim; they are decidedly lacking in the balanced over-all mechanization that characterizes scientific family farming in the United States. But they do have tractors and combines, not as many as they need but as many as they could turn out or buy abroad.

Russia is so far from making up the war losses in farm machinery that these tractors and combines are run to death. As an Astrakhan dispatch in *Pravda* reported with literal accuracy, "The machines are in operation day and night." Night plowing and night harvesting are, of necessity, common in Russia, despite the inefficiency of such nighttime work. Mechanization up to now has only helped partially to offset other factors that lowered output. In war, Russian agricultural planners would have to cope with the problems created by a dwindling, not an increasing, supply of machinery.

In spite of her geographic and economic handicaps, Russia could boost the output of her farms substantially if the labor exerted on them were used efficiently. In peacetime, this inefficiency is the product of her political and economic system. In wartime, no doubt the authorities would revert to the system of World War II, under which some peasants were allowed to become "ruble millionaires" by selling all but a fraction of their products on the open market at free prices. By restoring these capitalistic incentives, the authorities got the peasants to work as efficiently as anyone can be expected to work in an economy in which capitalism is mixed up with socialism.

But the peasants away from the war zones

ROUGHLY matched in arable land in use are Russia (with 600,000 square miles) and the U. S. (with 630,000 square miles). But less efficient Russia has to support a population one-third larger. To increase her farm output 25 per cent would take at least 20 years

worked as hard as they did because their country had been attacked, and because the invading Nazis treated the civilian population as badly as the Bolsheviks had done.

Russia's experience in the last war proved no sure guide to the future. Her food effort failed so badly that, in spite of enormous food shipments not only from the United States and Canada but also from undernourished Britain, large sections of her population barely survived. But that was because the Nazi invaders captured the richest producing areas

(Continued on page 84)

How WHITE is Your



If you don't know the area, you could wind up in a pickle like this

EVERY weekday evening about 5:50 Otto K. Purchase, third vice president in charge of procurement for the Pharmametallurgical Corporation, comes home to a handsome white clapboard house at 1432 Mortgage Avenue in a highly respectable suburb with the fine old Indian name of Commutiburb. Lamplight shines softly out of the living room window as he coasts past, then the headlights pick up the broken brick in the driveway curbing. About every fourth night Otto says to himself:

"I wonder what the darn place really is worth anyway."

As family man and business man both, he has a right to wonder. His

15 years as in-and-out homeowner in Commutiburb have been confusing, in an actual case reflecting many other people's confusions.

Back in 1934 Otto came east to take a promising junior job with Pharmametallurgical. Times were tough. But real estate was way down and the job soon felt solid enough to justify his following the good American own-your-own-home tradition. For \$12,000, comfortably financed, he got a nice, smallish but very well located Commutiburb house only 20 minutes by car from the head office.

In 1940 he was sent to San Francisco to set up a west coast branch and, if it panned out, head it per-

manently. Otto sold his Commutiburb house for \$14,000—a nice profit, if Uncle Sam had let him keep all of it.

By 1942 war had so re-oriented the company's activities that the new branch was abandoned, though there was nothing but praise for the way Otto had handled it. He was brought back and promoted, a cinch to stay in the head office for good. Housing already was getting tight. To get over his family's head a roof impressive enough to match his prospects, Otto paid \$25,000, of which some \$3,000 might well have been considered premium for quick occupancy.

Elephant?

By J. C. FURNAS

THERE'S no real substitute for an appraiser but if you want a fair idea of how much a house is worth, here's what you should look at

Early in 1944 he went into uniform for a special assignment rehabilitating production of sea-serpent oil in the Andaman Islands. His two boys were already overseas, his wife preferred to wait out the war with her married sister. It seemed a good idea to sell again—for \$28,000.

Honorably discharged in late 1946, Otto brought the folks back to Commutiburb—and back in the real estate market. His last house, he learned, again had changed hands for only \$26,000—interesting, but to find an equivalent was still tough. The nearest thing was close by—a little larger, a little better landscaped, a little newer, and Mrs. Otto always had liked white houses among trees. Thirty thousand swung the deal.

It has proved a good thing to live in. But Otto is trained to realistic standards of value. He knows how much his life insurance means; what benefits his hospitalization insurance pays; how much is in the joint checking account; how many E Bonds he holds as emergency reserve. He follows the market closely enough to guess, without adding up, the current value—give or take \$1,000—of his securities in the safe deposit at the Commutiburb National. But this great mass of concrete, brick, stone, wood, plaster, copper, lead, brass, textiles and glass for which he had paid \$30,000 just floats in the limbo in his mind.

The broker who handled the deal said with conviction:

"Well, these days at that figure, it's a buy."

Perhaps it was as speculation. But Otto bought for comfort, prestige and security, not for quick turnover. As a permanent asset, he would like to know, does it represent 25 per cent or maybe 15 or what share of the family's total assets? Nor is that mere idle curiosity. What basis should he figure

fire insurance on? What would inheritance taxes bite out of the estate?

Such uncertainties may trouble not only people forced by wartime shortages to buy at inflated prices; probably nine out of ten families who own their own homes or are thinking of buying or building are equally vague. They don't even know what angles to consider when trying to make an intelligent guess.

The first thing is to forget the figure that the local tax assessor tacked on the place. Unless your community is unusually realistic, such appraisals were far from accurate to begin with and are, in any case, outmoded—each year the assessor merely "copies the book." Local authorities prefer to tinker with the rates to meet fiscal needs rather than risk the storm of anguished protest that would come

of an attempted rational reassessment program.

Next, take off the rose-colored—or maybe blue-colored—spectacles through which an owner views his own premises and use the eyes of potential purchasers over the next ten or 20 years. That, in essence, is what the bank does when you seek a mortgage loan. For, like any other commodity in a free market, a house is worth what you can get for it, no more, no less.

Take in ten to 20 years because supply and demand fluctuations can fool you at given moments. Otto paid through the nose because he was in a hurry in a seller's market. Even now, though premiums for occupancy are dwindling fast, dwelling prices still hover around value of land plus what the place would cost to build new, less mild depreciation. Since experts figure construction costs at close to 180 per cent of 1940 levels, Otto's place may well have been a buy. But let six or seven years gnaw away at the housing backlog and actual value may coast down toward what the place would fetch as rental bought for investment, not owner occupancy.

The price is a different breed of



"I wonder what the darn place really is worth anyway"

cat. Taxes, possible assessments, realistic depreciation, maintenance and management fees are then coldly figured out of the monthly rental check, not to mention chances of occasional vacancy. Depending on general economic conditions, housing values swim between these bases. To keep things commonsensical, Otto must take a long-term view and mix in a large dollop of No. 2.

A touch of such realism would have simplified life greatly for another Commutiburb owner recently wanting to sell. He had quite an argument with a local broker who insisted that, no matter if this fine, big, solid brick house had cost \$40,000, it would hardly move at more than \$27,000. The owner got another man to list it at \$40,000 anyway. Six months later, to the great satisfaction of the first broker, it sold—for \$27,500.

It took that long for the facts of the market to educate the seller in the facts of life. Under such circumstances some brokers don't argue. The owner might find a sucker; if not, he'll learn.

The foreseeable future proves most in matters of location. Experts look first for what one of them calls "social consistency"—meaning, is the neighborhood made up of people in much the same income brackets and traditions; and if so, is it likely to stay that way long enough? Is the community in general on its way up or down? Do local zoning regulations make sense; and, if they do, are local politicians given to relaxing them anyway for reasons best known to themselves? Is there talk of rerouting heavy traffic through nearby streets? Is good transportation near enough to be handy, far enough not to be a nuisance? Is the local school district average or better than most? Maybe your kids are grown up, but lots of other people's aren't. . . .

Those and a dozen other issues imply knowing the community and applying the point of view of potential future owners. If too many such angles look poorish, it won't help much how soundly the place is built, how new the oil burner is, how much your wife likes the liv-

ing room fireplace. As years pass, these premises will appeal less and less to people of your stripe, so its actual value will diminish in excess of expected depreciation.

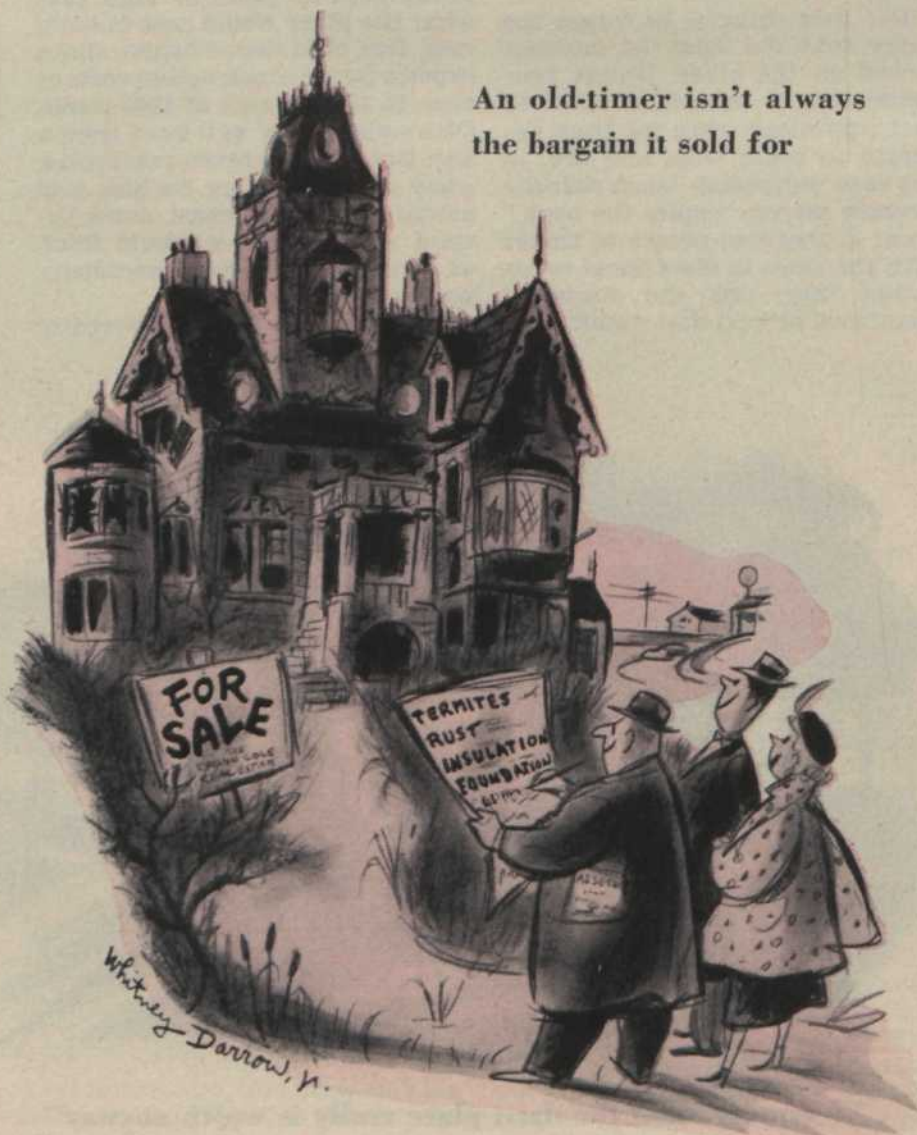
Personal taste can be treacherous. Suppose that before the war you bought an old-time General Grantish house that began life as a small country mansion—solid as a powder magazine, dignified, well planted—in a neighborhood developing into a new, good residential section. You got it at a great bargain and put the difference into taking off the gingerbread and modernizing it into a lovely place.

Such projects give huge personal satisfactions. But don't expect too much of that money back in asset value. It isn't new enough to attract people who want the best contemporary house. It isn't old enough for artificial value as an "antique." It is tough to heat and takes too little account of what servants cost these days when you can get them. If you fixed the place to live in the rest of your life and have no pressing cause to sell, you should worry. But as an asset—in one recent representative case the sale of such a tastefully improved old-timer in settling an estate brought barely half of the money sunk in it.

To the despair of progressive architects the same is largely true—the West Coast may be a conspicuous exception—of "modern" or "functional" types of house design. Better examples in that line are inexpensive to maintain and heat, convenient to live in and often give more house per dollar invested than "traditional" Cape Cod, Georgian or whatnot. But so far, house-wanting people, able to pay for their wants on an actual-value basis, prefer houses that look like what they think houses ought to look like. The sole break in that situation lies in growing acceptance of "ranch-type" construction, all on one level to save stairs, often using many of the unconventional features of "modern" design. Otherwise the man owning, building or buying "modern" must make up his mind to having less of a long-term asset than its virtues as a thing to live in would seem to indicate.

To state that tears down my own property—a highly efficient "modern" house built in 1940 well out in the country. It has paid off fine in economy and comfort. But I can still remember the courteous reservations evident when a local bank checked the plans before according me a modest mortgage. I got
(Continued on page 85)

An old-timer isn't always the bargain it sold for



A Journey Through the "Welfare State"

By STUART CHASE

I HAVE been asking people in various walks of life—taxi drivers, bankers, bell boys, lawyers, housewives, barbers, red caps—what the term "welfare state" means to them. I began my one-man poll in a small Connecticut town, worked through New York City, and so clear out to the Pacific Coast, where a lecture trip took me.

To about half my "sample"—admittedly sadly lacking in scientific rigor—the term meant nothing at all. "No sir," said a waitress in a station lunchroom, "I never heard of it." To others it meant something pretty nice; to about the same number, something pretty evil. "Coddling labor . . .

mortgaging your child's future . . . something for nothing . . . destroying initiative and the American Way. . . ." A few tough-minded souls identified it with "old-age pensions," or "farm subsidies," and proceeded to pass judgment on that.

Most of those who had an opinion looked at the welfare state as an entity, something alive and

kicking out there in the space-time world. They divided, however, between seeing a dark and ominous monster, and a luminous ectoplasm radiating cheer.

This checks in a general way with another one-man poll I ran on the term "fascism," before the war. Nearly every one of the 100 persons who had an opinion—many did not—saw fascism as a

STATE services to the citizens are becoming a major issue. This article and the next present two points of view



substantial entity, but no two saw it the same way. I got 100 different definitions!

Since I took up semantics—the study of meaning behind words—I have become somewhat shy of high abstract terms like fascism, capitalism, socialism, big business, statism, free enterprise, monopoly and welfare state. As they stand, they mean such different things to different people, and they have no exact definition. The picture you have in your mind when you use one of them may be wildly different from the picture in the minds of Smith, Jones or Robinson, when they hear you speak. Furthermore, how would one set about taking a photograph of terms like these, with even the best camera? One can take a picture of President Truman, or Senator Taft, or the Constitution behind its glass cover, but hardly of “democracy.”

So if I am to get anywhere with these lofty verbalisms, I have to climb down into regions where one can take photographs, where Smith, Jones and Robinson can agree with me that something real is there. When it comes to welfare

state, I tag along with the people in my one-man poll who named a specific agency, like the Social Security Administration. For my money—it does not have to be yours—the welfare state is a label to cover a large number of services provided by the community for its citizens, most of which are paid for by direct or indirect taxation. I find it impossible to have any useful opinions about the label until I take a careful look at the services it covers.

If somebody wants to define welfare state as a condition where citizens demand more goods while producing less, obviously such a situation makes no sense in the long run; the economy will collapse. If he wants to define it as a condition where everyone gets his just deserts, obviously it is Utopia, and pretty dubious of realization. The definition I elect, and the common one from the semantic point of view, is a verbal label for a series of acts and agencies which provide services for people in an age of interdependence and mass production, which most people cannot provide for themselves.

What are these services in the America of 1950?

Blair Bolles in his interesting

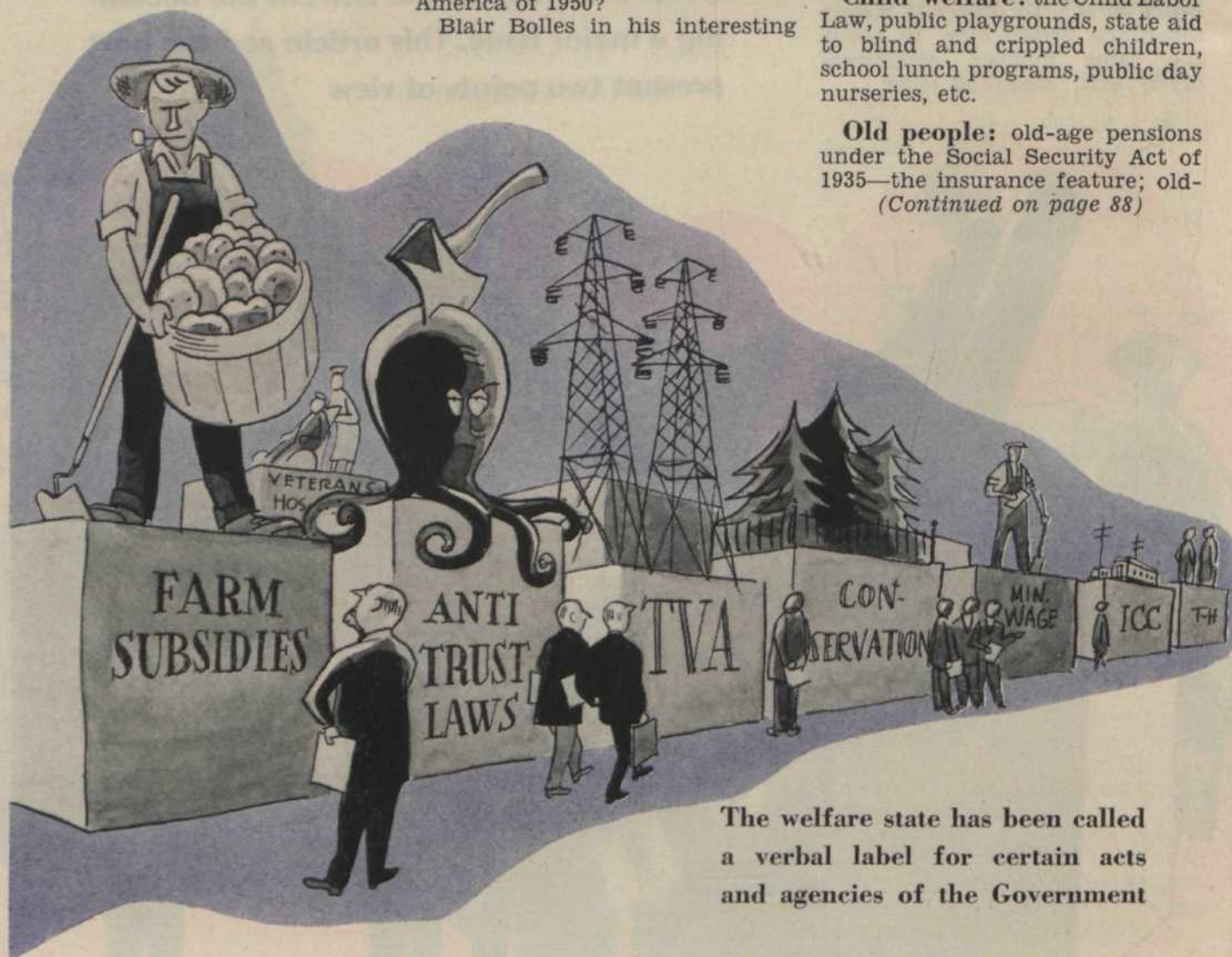
historical summary last month in NATION'S BUSINESS, set forth a score or more of the agencies comprehended in the term. He named the Harrison Public Lands Act of 1800, the famous Homestead Act of 1863, the Pure Food and Drug Act of Teddy Roosevelt, the Child Labor Law, the income tax, work relief programs. Taking up where Bolles left off, we can readily write down perhaps 100 agencies, past, present and proposed, coming under the head of the general welfare. They can then be classified by functions, something like this:

Educational welfare: the public school system, land grant colleges, state aid to local schools, federal aid to states, the GI Bill of Rights as applied to education, and so on.

Health: the Public Health Service, Veterans Administration hospitals, public clinics, workmen's compensation laws, sanitation measures, pure food and drug legislation, milk inspection, stream pollution abatement, the proposal for health insurance, the Red Cross, and so on.

Child welfare: the Child Labor Law, public playgrounds, state aid to blind and crippled children, school lunch programs, public day nurseries, etc.

Old people: old-age pensions under the Social Security Act of 1935—the insurance feature; old—
(Continued on page 88)



The welfare state has been called a verbal label for certain acts and agencies of the Government

The POLICE STATE'S Jigsaw Pieces

By EMERSON P. SCHMIDT

A NATION undertaking to protect its people from the buffetings of fate must ask in return explicit obedience

MAN'S fear of the uncertainties of tomorrow is older than history. To overcome it he has tried everything from soothsayers to savings bonds. He is to be forgiven, then, for so avidly welcoming the welfare state which promises to remove all these uncertainties, not only for all time but with no effort on the part of the individual.

Back of this bulwark he expects to be free from the dangers of old age, unemployment, sickness, crop failure, and whatever other buffetings a capricious fate and the competitive market place might hold for him.

In the past, families or communities have tried to set up such bulwarks for their own unfortunate or inefficient. The enterprising individual has tried to set them up for himself.

But it seems reasonable to suppose that the entire people, banded together, can do a better job than any individual, family, or isolated community. It also seems reasonable that a man, freed from the burden of planning for tomorrow, might so apply himself to production today that everybody would benefit more greatly from his efforts.

In its early stages, the welfare state may seem to justify these promises. Some things it can do, and do well. Unfortunately, the very excellence of this accomplishment is the first step toward the downfall of the welfare state. This is because, in helping the few, the welfare state brings an economic gain to them at the expense of the many and they in turn demand a correction of their worsened position. As individuals, being human, we are also selfish.

The essence of the welfare state, in the early stages, is the idea that the individual's income should not depend primarily, or at least exclusively, on his own efforts. The traditional close tie between one's welfare and his economic worth to society is cut by the state's doing two things:

1. It takes from the efficient and successful to give to those of opposite characteristics.
2. It sets up areas of protection, semiprivate pre-



serves free from the invasion of competitive pressures.

In these areas a chosen few may be saved from their own misfortune or ineptitude.

But human need is an infinitely elastic concept. The unfairness of aid to the few soon brings protests. The farmers feel their misfortunes, for instance, no more acutely than do factory workers, coal miners or ribbon clerks. Nor are the misfortunes of horticulturalists or hop growers less acute than those of corn, tobacco or cotton farmers.

So, to satisfy all, what started as an effort to put a floor under catastrophic price slides in depression for a few major crops must be extended to a host of commodities and lead eventually to a proposal for a Brannan plan, under which virtually everything in good and bad years alike must be protected. Justice is not a matter of numbers—equal justice to all.

Meanwhile the farmer, safely guaranteed against price declines, turns to all-out production, determined to get the good price for bigger volume. Soon the Government, responsible for crop prices, cries out against such all-out production. There must be acreage limitations. Then the farmers buy more fertilizer to grow the same volume on the limited acres. Better cultivation, a little more fertilizer, and putting the rows a little closer together—thus the farmer conforms with the letter of the agricultural rule book, but violates the spirit. So the Government slaps marketing quotas on each farmer, or piece of land, and imposes a 50 per cent penalty on all produce marketed in excess of the quota.

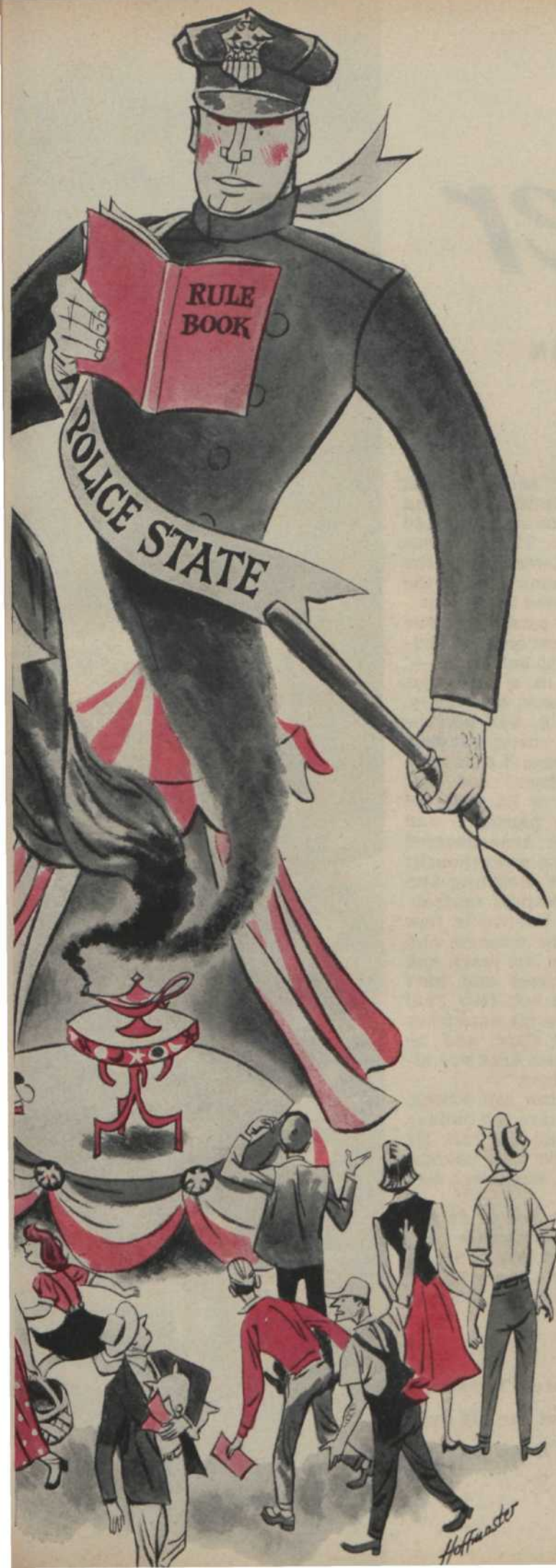
The farmer scratches his ear and wonders. Why not raise, on the land made idle by the government rule book, soy beans, which are not covered by an acreage or marketing quota? Soon there is a surplus of soy beans. The government bureau examines the rule book to see if the scarcity economics can't be applied to the beans. Sure enough, one or two of the general provisions of the law, as interpreted by the rule book, cover the beans. Lawsuits follow. One court says yes, another no. It goes to a higher court. Congress covers the gap. A few congressmen don't come back, but the struggle between wit and welfare goes on—the beneficent state in action.

Tobacco production, for instance, is sewed up tight. Tobacco committees, made up mostly of tobacco farmers, govern acreage and marketing allotments. The law allows a small annual increase in acreage. But the farmers' committees administer the act themselves and seldom vote in more land. The result is that it becomes progressively easier, with rising demand for tobacco, to maintain prices above parity. Other farmers, eager to get a foothold, are frozen out. They may turn to raising chickens, turkeys, or the humble potato. But here too are the stop signs. What becomes of our vaunted classless society?

Whether you can raise tobacco is not determined by your know-how, your efficiency or your individual desires and tastes. You must get hold of a piece of land which already has an acreage allotment. Two farms adjoining each other may be equal in size, fertility, and in every other way, and yet the farm without a tobacco allotment may go begging at \$25 an acre while the farm with the right to raise tobacco brings \$400 an acre.

The value of the right to raise and market tobacco becomes capitalized in the land value. The person owning the land when the allotment to raise the tobacco is given that land gets the benefit of this valuable right and when he sells out, the selling





price takes this into account, so the new owner gets little value out of the tobacco allotment on his land. The benefit accrues to the original title owners and not to the farm operators, or subsequent owners of the same land. So some new farm programs must be invented for these new owners.

Let the Government build them some housing, subsidize a telephone system, vote them more money for country roads or more federal aid to education. The welfare state marches on. There is no limit. There can be none. The welfare state has a rough time keeping up with the compensatory reactions that its own actions set in motion.

Only a comprehensive all-pervasive system of control covering everything—marketing quotas, land use, use of fertilizer, pounds of seed per acre, distance between rows, what not to grow and what to grow—is what is ahead. Only the police state can run this type of economy.

Whatever the resulting complications, the spectacle of the farmer on his price-fixed oasis cannot go long unnoticed. If his income can be guaranteed, the industrial worker, over whose head boom and bust of the free market place have long held the threat of unemployment, can expect no less. As a fair people, we extend it to him.

We provide him workmen's compensation and sickness insurance to provide cash for disability both on and off the job; unemployment compensation when jobs run out; old-age insurance when he retires; survivor insurance and insurance for dependents.

These are undoubtedly good things. The argument is that, now that we have them, we would not want to be without them. That, perhaps, is true of the benefits themselves. It is far from true as regards some of the results they lead to.

Since, even under the leveling attempts of the welfare state, the protective programs develop piecemeal and all jobs are not equally demanding or hazardous, a worker must necessarily be classified to determine what kind of benefits he is entitled to, if, indeed, he is entitled to any.

To qualify for insurance benefits, he must meet certain tests. His occupation must be covered by the payroll tax. He must have worked so long and earned so many dollars. His employer must have made certain reports about him and his wages, and these wages must have been earned in a certain way—that is, so many dollars spread over so many quarters.

If he goes from a covered occupation to one not covered, he may lose all rights to benefits. If he moves from one covered by the general social security system to work on a railroad, or for a state government, he may get double, or triple benefits, or he may get none at all. If he also worked with the police force or the federal Government, each with its separate system of benefits, he may hardly know what his rights may be. He may get several small benefit rights which he has carried with him from job to job, or they may lapse when he leaves the job.

Each program is different. Each system has a legislative basis that is controlled by a mountain of rules kept in a separate rule book, administered by

(Continued on page 64)

Everybody likes something for nothing—until the state steps in to rule on what you can have

Pardner

By ROBERT E. PINKERTON

IN THE North Pacific wind, Paul Hallet sweat under his oilskins while his hands were numb from the cold water. Fish came so fast his arms ached, and he had 12 more hours to go. After a little sleep he'd be at it again, day after day, week after week, and he'd thrown up a fine business career and a good income for this.

The last was all right. He felt he could do as he pleased with his life. His wife had been dead six years and his daughter was happily married to a fine chap with money and ambition. Beth alone understood how the sea always had drawn her father. Paul suspected women know how and why a man reverts to boyhood, and this was his boyhood dream. Only his friends had objected. They thought he was crazy. Two had said he had no right to leave his partner because Ed Carr would be helpless without Paul's executive ability, but the lubbers couldn't know when the sea called. Besides, he'd spent 20 years with Ed.

Now, with fish coming fast, Paul had no time to think of why he was here. Arne Stensrud, working the port side and the mast line too, four lines to Paul's three, nine spoons to seven, clubbed a 40 pound spring salmon, his broad face grinning.

"She's a good trip, pardner," he said. "Six hundred dollars, maybe seven. Maybe—"

A bell on one of the four poles tinkled and Arne whirled to jerk in the line. Paul marveled at the man's energy and, though he knew Arne had a bad leg, found it irritating. Arne was big, thick, three years older, yet 20 years ago Paul could not have matched this sustained exertion.

An hour later the bells ceased tinkling.

"We go deeper," Arne said, and they hauled in the 20 pound lead weights on each line and slipped 30 pounders overside. The fifth was not out before fish were hitting the spoons again. Salmon clogged the scuppers and covered the hatch.

"We're fishin', pardner," Arne shouted. "I ain't ever made a thousand-dollar trip yet but maybe—"

Paul, hauling in a line that throbbed with power, was angry. He told himself it was because Arne had so much energy but deep down he knew it wasn't this. Arne always said "pardner," and that made Paul think of Ed Carr. Ed had always said "pardner," and had the same drive. Arne dreamed fish, talked fish. Ed gave thought to nothing except designing and making better electrical controls. He never showed interest in how Paul conducted the business and built it up through the years, and he'd been so amazed and hurt when Paul pulled out. Now Paul wanted only to ease his conscience by forgetting Ed Carr, and he couldn't forget when Arne was always saying "pardner."

The fish quit after ten o'clock. Paul was glad to have the midday lull but Arne would not rest. He tried leads from five to 40 pounds. Paul was irritated, said it was useless.

"Pardner, when you're fishin', you fish," Arne said harshly.

Paul remembered how he'd suggested Ed Carr use a shortcut.

"To hell with that!" Ed had said

**Paul clawed forward.
How he got the big man
he didn't know**





to him. "I'm aimin' for the best, not the cheapest, pardner."

Arne quit at last and stuffed a wad of Copenhagen snuff between his left cheek and molars. Brown juice trickled from a corner of his mouth, as it did all day, and Paul recalled how Ed Carr always was digging wax out of his ears with a match. Ed's suits were grease-spotted and unpressed. Arne wore a wool undershirt until it was stiff. In the factory it hadn't been so bad. Ed was seldom in the office and Paul had his home in Oyster Bay. Here he and Arne were cooped up day and night in a 36 foot boat with a tiny cabin. Cheek couldn't get away from jowl and Paul was sensitive to minor irritations. He fought against this, but rarely won.

"We'll ice the fish and eat," Arne said.

It was a long job, gutting the heavy salmon and packing them in the two tons of crushed ice in the hold. The breeze kicked up a cross sea and Paul slipped on the bloody deck, nicked a hand with his knife. After lunch it was Arne's watch below.

Paul sat in the fishing well aft, feeling the *Tyee* climb the rollers. He was happy when fish were not striking and he could watch the sea. He'd been in boats all his life—back on Long Island Sound. But they were yachts and it was summer stuff there, week-end and vacation cruises with shelter every few miles. Last night the *Tyee* was anchored in 50 fathoms, in a heavy swell rolling all the way from Kamchatka. The nearest land, a crashing lee shore, was 20 miles away. He thrilled to the thought of this. It was so different than when he'd played at being a seaman. This was real.

Next day the fish struck hard and by night the hold was full. The wind had switched to southeast and threatened; they were low in the water with seven tons of fish and ice, but they started at once for Neah Bay, tucked in behind Cape Flattery. The wind, squarely against them, increased. Arne called it a breeze but Paul knew it was a gale. The 73 miles brought 24 hours of battering, and they reached port to find prices down. The hoped for \$1,000 trip earned \$900.

"We come close," Arne said cheerfully. "Two years ago I make

an \$800 trip. But we got three months left, pardner."

Paul did not resent "pardner" now. No troller working out of Neah Bay had done so well as the *Tyee*.

"We'll get a thousand-dollar trip yet!" he exclaimed.

Arne looked at him curiously.

"You funny feller," he said. "You pick me off the beach when I lose my boat and am just out of hospital with this leg. Give me half share in the *Tyee* for teaching you. Which ain't why you're a good pardner. You was green, and old to start fishin', but you work hard and learn fast, and you don't snore. We'll do fine."

It was the first time in two months' fishing that Arne had given any indication of how he felt. Paul, aglow with the warmth of it, went ashore for mail. He found a letter from his daughter Beth and three from New York friends. One of them had written:



He inched forward and cut the line with an ax

"Saw Ed Carr several times. He's badly worried and much confused. Plenty of orders but nothing seems to get done. Ed's lost outside his little shop. Too bad, for we're headed into the biggest boom ever."

The *Tyee* sailed in thick fog and Arne opened the throttle another notch to get at the fish sooner. They trolled by compass but nights were worse when they anchored and slept.

"Some damned freighter, not whistlin' to save steam, can smash us," Arne said. "But fish don't know there's a fog."

They caught fish, driving from dawn to dark in long northern days. Arne was sure they'd have another good trip but Paul could not respond. Even as he pulled in a big salmon he thought of Ed Carr. Ed knew nothing of business. Many details and a dozen important decisions came up every day in the plant, and he'd be in his shop working the clock twice around on a new idea.

Fog held the third morning and they got few fish, soon none. Arne packed the hole in the 20 pound sounding lead with butter and dropped it overside. The line showed 95 fathoms. Arne hauled it in, examined and tasted the butter.

"Blue clay mud!" he said angrily. "We're off the bank so'-west o' Estevan light! You got a poor pardner."

"Can't blame yourself after three days of fog," Paul said.

"Knowin' where we are is my job."

"Stow it, Arne. You're always doing more than your share."

"Share!" the big fellow growled. "All you ask of a pardner is he do the best he can. If he does, a little more work by you don't matter. Pardners got to be that way or they ain't pardners."

He swung the *Tyee* toward Vancouver Island. Ten miles, and fish were striking again.

"We lose four hours because I'm asleep," Arne said.

He was bitter about it, hauled savagely at the lines, clubbed salmon with heavy blows. As always when Paul saw Arne driving so hard, he remembered Ed Carr's exhausting hours in the shop.

After a week they returned to Neah Bay with a fair catch, took on gas and ice, and departed. Many

trollers remained for a full night's sleep, but not Arne.

"No man's caught a fish in his bunk yet," he said.

Arne's face was drawn and Paul didn't know whether it was from weariness or pain in his leg. Arne always eased the leg down the companionway, but the drive was still there.

"We'll make the *Tyee* high boat yet," he said.

(Continued on page 86)



Foreign experts on an inspection of southern textile mills

Guided Tours to New Ideas

By ROGER WILLIAM RIIS

SO THICK lay the fog over New York harbor that from the stern of the little Coast Guard cutter one could scarcely make out the bow. Through the blind gray world, laced with rain, the cutter felt softly along, tooting its foghorn hopefully. At last came an answering, deeper blat; the cutter tooted, the big voice blatted, the cutter sliced forward more swiftly through the fog wraiths. And suddenly ahead of us stood a huge black wall with lighted portholes.

We scrambled briskly through the big port in the *America's* side. Her lights and warmth were heartening after the cold gray of the fog. Almost at once a courteous English voice asked us, "ECA?"

We had gone down the bay, officials and newsmen, to meet a group of European industrial leaders and workmen coming to the United States to study American ways of production under the auspices of the Economic Cooperation Administration. The fog was symbolic, for

IN SHARING technical know-how with European countries, the U. S. has learned a thing or two itself

when the program of industrial tours started, no one knew where it would lead. Equally symbolic was the sudden dispersal of the fog as soon as we had found one another down the bay.

Two years ago Congress passed the Economic Cooperation Act, putting the Marshall plan into effect. That same summer of 1948, two practical men, Sir Stafford Cripps and Paul Hoffman, were discussing the instant need of greater production by Europe.

Said Cripps, "One look is worth a lot of description. I wish we could see how your American factories do it."

Said Hoffman, suddenly seeing a great light, "You can. We'll set up a program of tours."

Therewith came into being that activity of the Marshall plan known as "technical assistance," or TA. Part of it involves the work of American experts in Europe. But the most surprising and fruitful part of it is the contact with American industry by groups of able, experienced European industrialists.

The first group, in the summer of 1949, was from the British steel industry. Significantly, it called itself a "productivity team," and all subsequent groups have followed

that team concept with its implications. Sixteen men, selected by British national trade associations and unions, spent six weeks in American foundries. They went home and published a unanimous 108 page report which is the most radical document in Anglo-American relations in 160 years.

By May, 1950, 25 such productivity teams, totaling 400 technical industrial experts, had traveled 75,000 miles through industrial United States, studying factory methods, processes, devices, which will mean higher output in European factories—more goods per worker per hour.

If TA attained that goal and no more it would be worth while. But it is going much farther. It has provided American industrialists, to their pleased surprise, with many a valuable idea and method. It has created and cemented strong friendships between fellow craftsmen who have discovered that the craft is ever a stronger bond than a mere ocean is a divider. It is building up mutual respect.

TA has by no means been confined to factories. Thirty-three Dutch farmers lived and worked

on American farms. Austrians studied lumbering methods along Puget Sound. Italians have come to learn methods against the chestnut blight. Norwegians have studied American mines, the better to restore theirs destroyed by the Nazis.

A team of Turkish engineers analyzed American flood control and electric power distribution. Danes came to investigate meat packing. Belgians, French and Dutch came to study American hotel methods. For ten years European industry and agriculture had been isolated from world knowledge, while industry in the United States had been under forced draft.

The American system is, after all, the production system. It calls itself variously and unsatisfactorily the capitalist system, or the free enterprise system, but in fact it is above all the production system, clearly seen as such during the war and equally clearly seen as such since the war.

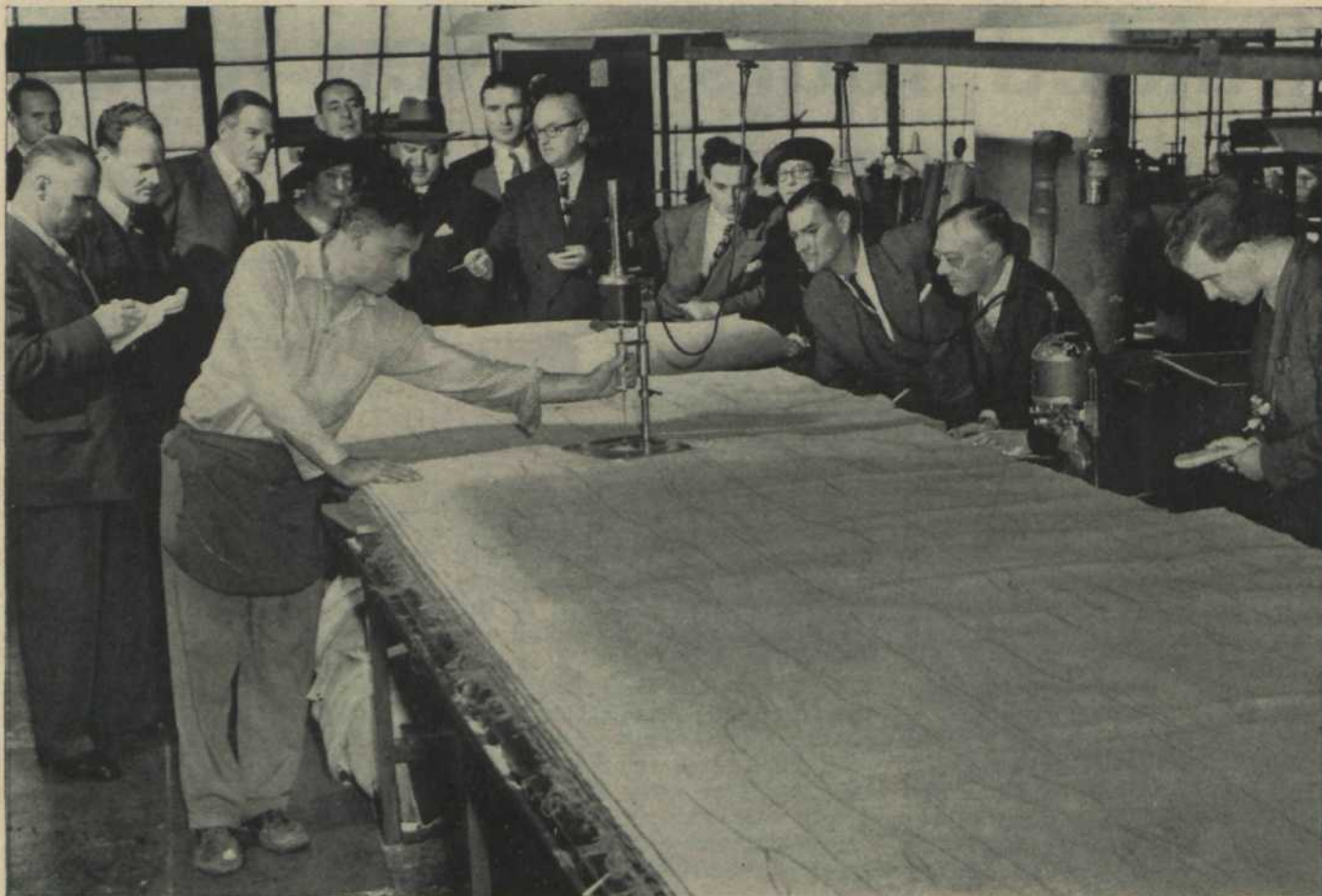
I have traveled with six different teams through a score of factories in a dozen cities. The personnel has been superbly selected to obtain able individuals, but also to rep-

resent every branch of an industry: management, labor, technical men. The testimony of American factory men is 100 per cent endorsement of the visitors' personnel.

The teams' work would put beavers to shame. When they go through a factory, they divide the subject so that each visitor has his specific concern. The day after is devoted to team discussion. Each individual contributes his findings, and the sum total is worked into a report with which each member agrees. The significant figure in every report is the production per man per year. In the American foundry this is 41 tons; in the British, 24 tons. In industry after industry American production has been found to run an average of 75 per cent higher.

When the team is back home it molds these factual reports into an over-all report, with interpretations and recommendations emphatically hammered home to their entire industry. The final report of the British steel foundrymen sold out its 25,000 copies overnight and has now gone to a fourth edition.

Its impact was due partly to the



A representative team from Great Britain's clothing industry visits the cutting room in a garment plant and watches the layout process

fact that it was a unanimous statement by both management and labor as represented on the team, and partly to its very frank language. It covered mechanical processes which could with advantage be copied from America—including the making of castings that are good enough for the job they have to do but no better.

In Britain, said the report, "it is the custom to pay homage to workmanship, yet it may be that high quality in parts which do not require high quality is undesirable." "Why polish that surface?" demanded an American foreman. "It has to work in mud anyway." Where British attention had been fixed upon high quality, it was at this point fixed upon the much greater need—higher production.

Going on to intangibles, the report becomes like a surgeon's knife:

"Is high productivity really desired by British steel founders? It is easy to give facile assent. But—is high productivity more important than the customs of trade associations? Is high productivity to be sacrificed to existing methods of employers' associations? The answer must depend on the

alternative. The alternative to high productivity is starvation.

"Traditional practice is all too frequently a euphemism for obstinacy, trade custom for pigheadedness. Neither traditional practice nor trade custom has export value. High productivity has. Neither precedent nor procedure can stave off starvation. High productivity can. It is profitless to engage in rhetorical phrases about holding what has been gained in years past. Already the most important thing has been lost—our industrial leadership; and the lesser gains will turn to dust and ashes unless a new outlook is developed, giving chief place to high productivity, which can regain for us freedom from fear of want."

This report made a sharp and obvious impression on British psychology. A similar report from a rayon team followed quickly, and press and general comment was excited. Every team member with whom I talked stressed one factor, "Your incentives in the United States." At first I thought they meant schemes of incentive pay. But no; they referred to our shop windows, their lavish contents, and the fact that all those love-

ly goods actually can be bought.

"Don't talk to me about economics!" exclaimed one woman team member. "Tell me how I can buy a washing machine." Charles William Cooper, of the electric starting and control gear team, figured that to earn a pack of cigarettes in the United States takes 12 minutes' labor, in Britain 90 minutes; a pair of nylons, one hour as contrasted with six hours; a gallon of gasoline, 15 minutes compared with one hour.

Lack of incentive, according to many team members, generally troubles the British welfare state. The worker has few worries. If he is ill the national health plan takes care of him. In his old age he has his pension. "Britain," commented the *London News Chronicle*, "rates security and leisure more highly than a better standard of living. The American, on the other hand, prefers to produce more to earn enough to buy himself a car." Every team with which I talked went back home intent on urging the government to change some current regulation.

It is as yet too early for real effects to show all along the line, but
(Continued on page 68)



Willem Plasier of The Netherlands, right, spent six months in America studying farm practices



A British group examines our construction methods



Oracle of Lafayette Square

By MILTON LEHMAN

BUSINESS and government look to Brookings whose findings more often than not pace national thinking

I am Sir Oracle,
And when I ope my lips, let no dog bark.
—THE MERCHANT OF VENICE

AN EXPERT, according to an old Washington definition, is "a son of a gun from out of town." This is a polite form of the definition, which often is given in stronger terms by bureaucrats and statesmen, especially when they disagree with an expert's opinion. Invited to Washington for his calm, considered judgment, the expert seldom lasts long in this city of controversy. Usually he leaves town with jangling nerves.

To this rule, the solemn scholars of Brookings are an exception. They are the most durable experts in the city and possibly the calmest. They were established before Roosevelt gathered his Brain Trust, they have survived five political administrations and are now entrenched. Each weekday morning, they cross Lafayette Square near the White House, confidently side-step the pigeons and make their way to the profound Brookings Institution.

The Institution is a privately endowed research organization, employing social scientists to study how Americans make a living (economics) and how that living is ordered (government). Its founder was a retired St. Louis millionaire whose fond dream was that economics and government would be examined by men detached from politics. His staff of experts, Robert S. Brookings declared, would be calm, cool and objective. They would explore the nation's problems, call the shots as they saw them and publish their findings.

For more than 30 years, the Brookings Institution has called the shots on subjects ranging from "Union-Management Cooperation" to "The Fecundity of Native and Foreign-Born Women in New England." At a rate of ten volumes a year, it issues weighty pronouncements on how America should run its Government and how the Government should run America. Early in its career, Brookings proposed a budget system for the United States which the nation adopted. Recently, it drafted the basic plan for a labor policy which became the Taft-Hartley Act. Today, Brookings offers advice to

unions, banks, big business, the State Department, farmers, doctors, coal miners and senators—with and without invitations.

"Compared to Brookings," a government economist said recently, "the Greek oracle at Delphi was deaf and dumb. Brookings has an answer for everything."

Brookings answers are given in the dry, determined volumes prepared by its scholars. These books never make the best-seller lists, but they usually make the front page of our newspapers. While they have little emotional appeal to the casual reader, they are sometimes greeted by loud cheers and at other times have raised the blood pressure of Presidents. Like other experts in Washington, the scholars of Brookings are often hip-deep in controversy.

Labor leaders have taken sharp issue with Brookings' ideas on labor and John L. Lewis, considering the Institution, declared: "There are some things in this life we must learn to endure." Brookings' negative report on President Truman's health insurance plan was described by the Committee for the Nation's Health as "bias parading as science." Brookings, the Committee added, was "reactionary." But to Brookings, the hoots and catcalls are nothing new. The late Brookings himself was long ago referred to by one caustic critic as "babbling Brookings."

Such criticism, Dr. Harold Glenn Moulton maintains, is merely proof of Brookings' independence and objectivity. Dr. Moulton, a heavy-set, leonine

Staffers like Dr. Pasvolsky, left, and Dr. Kaplan may spend years on a study



elder economist, has been president of the institution for a quarter century. In the dismal science of economics, he sees objectivity as a shining light, illuminating the truth. "We don't pretend to have a monopoly on the truth," Dr. Moulton says gruffly, "but we do have certain ways of finding it."

He has little sympathy for those who say that economics is not a science, that economic theory depends pretty much on the economist devising it. "Scholarship and a proper scientific approach," he says, "will lead you to the truth if you're willing to face the facts." In his search for the truth, Dr. Moulton has set up six goals for American economic life which have become the planks of Brookings' economic platform:

1. A progressively larger total national income.
2. A progressively wider division of national income.
3. A society in which individual rewards are based primarily on work performed.
4. Increasing economic security.
5. The greatest possible development of the capacities of every individual.
6. Opportunity for every capable individual to earn his own income.

While Brookings never has elected a President on this chicken-in-every-pot formula, no President could possibly disagree with it. Nor would any economist within or outside the Brookings Institution. Nevertheless, there often are violent disagreements among Brookings scholars who have different ideas of how to reach these goals.

Last year, for example, Dr. Arthur C. Millspaugh prepared a Brookings study called "Toward Efficient Democracy," which aroused Upton Close, radio commentator, to charge "socialism." Dr. Millspaugh modestly proposed that the President and the House of Representatives be scrapped. He wanted the Government to be run by three agencies: a national council of 21 members, which would possess "supreme legislative and executive power"; a Senate with "reviewing and delaying functions, but no veto"; and a chief executive charged with "the conduct of administration, appointed by and responsible to the national council." The Millspaugh plan quietly called for a major revolution in the American way of government.

At the same time, Dr. Moulton himself issued a volume called "Controlling Factors in Economic Development." This book, unlike Millspaugh's, implied that American government and economics are not too far off base. In the year 2049, the book predicts, "a semiregulated free enterprise would support 300,000,000 Americans eight times better than the existing economic system supports 140,000,000." The coming century, Dr. Moulton declared, will see Americans spending eight times as much as they do today on food, 16 times as much on housing, 20 times as much on clothing and 33 times as much on recreation and travel.

Between our glorious economic future predicted by Dr. Moulton and our woeful system of government denounced by Dr. Millspaugh stands the oracle of Brookings. Considering these differences in point of view, observers of Brookings have declared that the Institution is looking both forward and backward at the same time. Some economists hearing the oracle say that Brookings "means all things to all men."

As president of Brookings, Dr. Moulton is directly

responsible for the Institution's staff and its pronouncements. At 67, he already is past the Institution's fixed retirement age, but recently has been appointed by the board of trustees as president for another three years.

Despite his years, he is still vigorous. He maintains a 400 acre farm in Virginia and on week ends works with his hired men. Not long ago, he was one of Washington's ranking squash players and still beats younger men at the squash court he maintains in the Brookings building. He also set aside a gymnasium where he encouraged ponderous staff members to take calisthenics. The gymnasium, unfortunately, is now taken over by the department of international affairs, which uses it as a file room.

His staff considers him one of America's experts in recalling sports heroes and citing forgotten records. A few years ago, a former college athlete came to him for a job. The applicant no sooner gave his name than Dr. Moulton interrupted:

"Oh, yes, you're the fellow who made the breast stroke record of 2.41 in 1927."

The applicant was, but he didn't get the job.

MANY of the men who staff the Brookings oracle have come from the faculties of America's leading universities, and a few took graduate training at Brookings itself, a program disbanded since the war. While some wear Phi Beta Kappa keys, practically all are Ph. D.'s who say generously, "Just call me Mister." For all their modesty, many Brookings savants have taken important roles in practical government under leaves of absence. The most famous and eminent of these scholars in high office was Dr. Edwin G. Nourse, who recently resigned as chairman of the Council of Economic Advisers. Dr. Nourse, a Brookings vice president, was for several years the nation's top official economist. "Brookings is where I learned my trade for 25 years," Dr. Nourse declares.

While most studies are originated by the Institution itself and financed by private endowment funds, government officials and agencies frequently call for help. Two years ago, for example, Sen. Arthur H. Vandenberg was trying to resolve widely divergent views on how the European Recovery Program should be administered. As chairman of the Senate Foreign Relations Committee, he declared that "an objective study by an independent research agency of the highest standard was required."

Brookings got the assignment and quickly resolved the differences between the State Department, the White House and big business on how ERP should be run. Later, Senator Vandenberg paid tribute to Brookings on the floor of the Senate.

"To fit these conflicting specifications into a common pattern was indeed a jigsaw puzzle," the senator said. "I express our great obligation to the Brookings Institution for the masterly job it did. The provisions of the pending bill follow its recommendation."

The work of Brookings, however, is not always praised today by men who praised it yesterday. "That's the price of objectivity," says Dr. Moulton, who has been called "leftish" by conservative administrations and "rightish" by left-of-center boys. Moulton's favorite description of himself was given a while ago by a toastmaster, introducing him as the main speaker. The stocky, 200 pound Dr. Moulton was presented as "a man who has never been swept off his feet."

(Continued on page 62)



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INTERNATIONAL NEWS PHOTO

Home of Turf Champions

By HAMBLA BAUER

AN OUTLANDER entering Belmont Park race track was pulled up sharply in his drive toward the mutuel windows by the sight of a tremendous crowd around the paddock walking ring. "Jeepers," he exclaimed in astonishment, "see all them people looking at the horses!"

The horses that run at Belmont command attention. They are star performers, not just numbers to bet on. For Belmont Park is to thoroughbred racing what the Metropolitan Opera is to singing.

Since the track's opening in 1905, every champion in racing has appeared there. The great of horsedom—Domino, Sysonby and Colin, Man o' War, Equipoise, Twenty Grand and Gallant Fox, Whirlaway, Assault and Citation—have been saddled by the great of trainerdom—Sam Hildreth, Jimmy Rowe, Jim Fitzsimmons, Max Hirsch and Ben Jones. On their backs have sat the nation's top jockeys, Tod Sloan, Earl Sande, Sonny Workman and Eddie Arcaro.

All this talent is displayed in an atmosphere dominated by the social stuffiness of the gay '90's. Belmont Park has more appendages, in the way of ultraexclusive clubs,

than most large cities. The Turf and Field Club's private enclosure abounds with Whitneys, Astors, Vanderbilts and du Ponts. Even the clubhouse, open to the public for a fee and therefore not the fashionable spot its name implies, swarms with notables—big name politicians, show people and labor leaders.

Tradition envelops everything like Spanish moss about an old oak. The Belmont Stakes, third race in the series which make up the mythical Triple Crown, highest honor a horse can win in America, is several years older than the Kentucky Derby or Preakness. The Futurity, run in the fall, is the country's richest and most important two-year-old race, while the Coaching Club American Oaks is the No. 1 test for three-year-old fillies.

Belmont Park occupies 450 acres in Nassau County and ten acres in Queens, Long Island. The huge

BELMONT PARK is to thoroughbred racing what the Metropolitan Opera House is to fine singing

grandstand seats 25,000 persons. During the spring and fall meetings in 1948 the average daily attendance was approximately 23,000. On Memorial Day, by official count of the New York State Racing Commission which supervises all activities, 60,441 persons crowded under and atop the grandstand roof.

The grounds have the aspect of a lovingly cared for park. Plump shade trees dot the paddock. One, a white pine 200 years old, is so large that the benches circling it seat 100 persons. Beds of flowers, boxwood and shrubs trim the walks and centerfield. A maintenance crew of 200 men and \$800,000 a year are required to keep Belmont Park in order.

The racing strip is a mile and a half oval, the largest in North America. Without powerful glasses a field of horses is a blur until it is half way down the stretch. Distance races start from chutes on

the backstretch. This is an upsetting situation for form players who try to pick winners by studying past performance charts. They can't compare the time of a mile and an eighth race run at Belmont with one run over the usual mile track. Belmont's distance races are faster because horses make only two turns instead of four.

Inside the main racing strip are two grass tracks over which a steeplechase or hurdle race is run daily. These courses are considered so sporting that occasionally amateurs, such as polo player Pete Bostwick, ride in Belmont's jumping events.

Jockeys' quarters are in the administration building, where the professional riders must report by 12:30 p.m. and remain until they have ridden their last horse for the day, a ruling designed to protect them from unsavory characters. Paddock visitors often can see the small riders sunning themselves in front of their quarters.

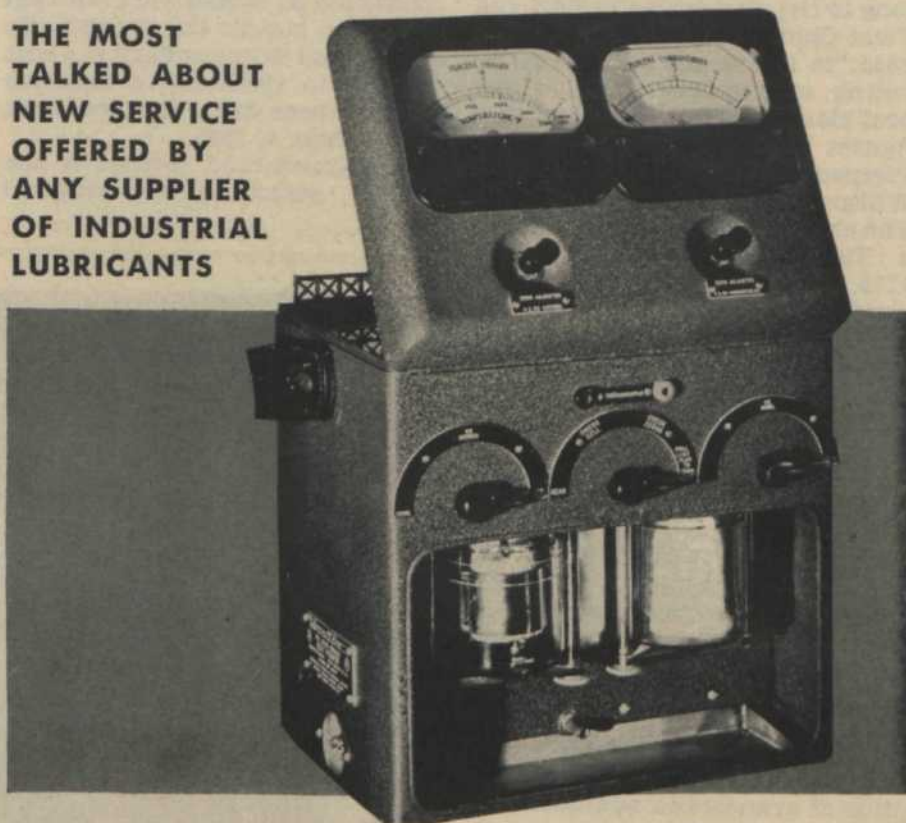
BACK in the huge tree-studded stable area 1,500 horses and approximately 1,000 stablehands who care for them dwell in surroundings of comfort and luxury unequalled at any other race track. Ninety per cent of the stakes winners and 65 per cent of all horses racing on the New York tracks are stabled at Belmont Park for the entire New York racing season. The only move is to Saratoga, which for four weeks in August becomes a summer resort for Belmont.

Barns were built for year-around occupation and can be opened or closed according to the weather. They include private plots of land of about an acre, sometimes two, on which trainers raise clover for the horses and build paddocks for them to play in. The choicest barns are leased on a yearly basis. Owners pay rental during the off season only of \$6 per stall per month, although very few keep horses in New York all winter. At other race tracks stable accommodations are strictly utility and few permit horses to remain on the grounds when a meeting is not in progress.

Adjoining some of the stables at Belmont Park are two-story frame "trainers' cottages." Mrs. Elizabeth N. Graham (cosmetic queen Elizabeth Arden) uses her cottage as a week-end retreat, and frequently gives parties there. Max Hirsch's cottage is a combination home, office and resting place for the wealthy men whose horses he trains. There is hardly a day during the Belmont meetings when

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some of his owners don't drop in for breakfast, lunch or cocktails. In 1946 when Assault, owned by Robert Kleberg of King Ranch, Texas, won the Belmont Stakes, 150 visitors were fed and liquored at Hirsch's stable during the day.

All of Belmont's social register horse owners and their friends belong to the ultraexclusive Turf and Field Club. This was organized in 1895 "to encourage an interest in racing among sportsmen of the best class." Its incorporators were figures of the period, such as J. Pierpont Morgan, William C. Whitney and John Jacob Astor. The club occupies "Manice House," a Tudor-Gothic mansion circa 1775, located at the far end of the paddock but protected from the public by a high iron fence. On its picturesquely landscaped grounds is a canopied outdoor eating pavilion where members lunch before the races.

Other patrons make their headquarters in the grandstand or clubhouse areas, depending on whether they pay \$1.60 or \$4.30 for admission. They may eat at lunch counters in the grandstand, or in the handsome clubhouse dining room.

The paddock area, where customers may watch the horses being saddled, is Belmont's public plaza, open to anyone for only the price of grandstand admission.

Mutuel windows are located in the so-called "main line" under the grandstand, downstairs in the clubhouse, and on the grandstand and clubhouse mezzanines. There is bonded messenger service for boxholders who do not wish to move, and the clubhouse has a cozy sitting room equipped with \$100 windows where horseplayers may bet in comparative privacy. Sellers' windows outnumber cashiers' about three to one, but this never works any hardship on the crowd.

During the war, the average racegoer bet \$50 in the course of a day and more players patronized the \$5 and \$10 windows than the \$2 windows. Last year, however, there was a marked trend toward the \$2 windows. The average daily mutuel handle fell 45 per cent from 1945's peak, and attendance dropped about 20 per cent. But 1949's daily average of close to \$1,700,000 was still far above 1940's average of about \$1,000,000.

Income comes from four per cent of the mutuel handle, a percentage of the breakage, admissions and fees from concessionaires. New York State gets six per cent of the handle and last year Nassau County reached in for five

per cent. Total handle for Belmont's two meetings in 1949 was nearly \$85,500,000.

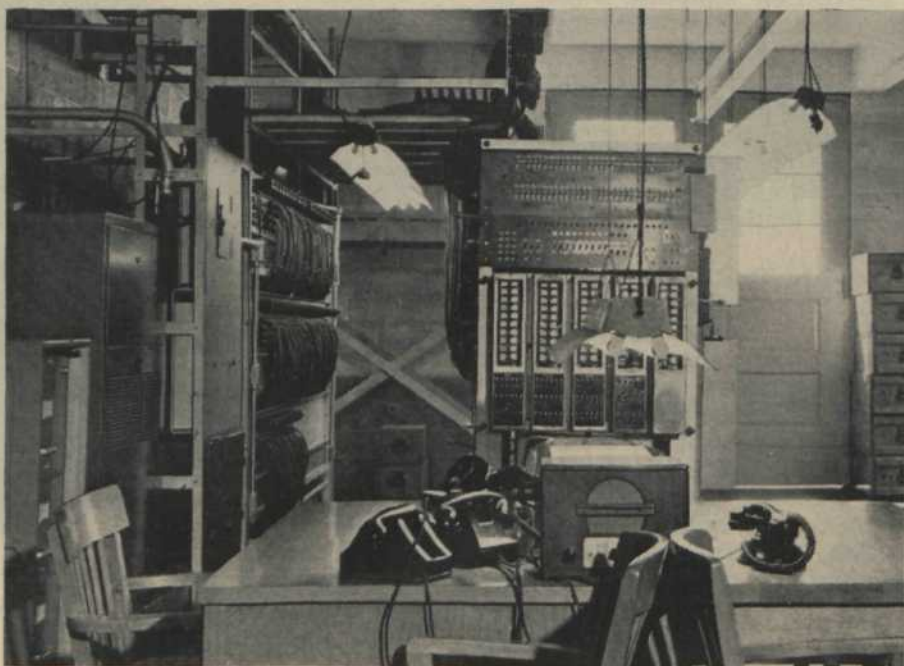
The Westchester Racing Association, which operates Belmont Park, was founded by August Belmont II, James R. Keene and Frank K. Sturgis in 1895. For the first nine years, meetings were conducted at Morris Park. In 1904 the group bought the present site and erected Belmont Park at a cost of close to \$2,000,000, a fabulous sum for those days. The new track opened May 4, 1905.

The grandstand section of the present stand is the original

grandstand. Next to this, on the end near the stretch turn, is the original clubhouse. Stripped of its mahogany paneling and gold-plated fixtures, it now houses the track's printing plant.

From the beginning Belmont was different. Horses ran clockwise of the track in the British manner. Betting was slightly illegal but the stand was equipped with a "rotunda, or public financial concourse" which afforded "superior roomy facilities for the purpose intended." There bookmakers held forth until 1911 when the Hughes Act

(Continued on page 60)



All racegoers are familiar with the "tote" board but few have had the opportunity to see what makes the mechanical marvel click

The Incredible Totalisator

By PAUL GARDNER

ONE DAY in 1927, a pleasant young man, bearing a slight resemblance to Groucho Marx, placed a bet on a horse at a Maryland race track. The odds posted on the pari-mutuel board read nine to one. And the horse came in.

When the bettor confronted the cashier for the payoff, he was shocked.

"Why—I'm only getting 13 to 5," he complained.

"Sorry, mister," said the mutuel man, "but—look, you're blocking the line."

For anybody other than the late Henry Lobe Straus, gentleman farmer, physics professor, electri-

cal wizard, crack athlete—and horseplayer—the incident might well have ended there. Straus, a Baltimorean, seethed over the fact that pari-mutuel betting had not kept pace with progress. He could well understand why only a handful of tracks in a half a dozen states permitted such outmoded pari-mutuel betting.

He remained so indignant about the matter that he perfected the incredible totalisator which 25,000,000 annually see at more than 80 tracks in 22 states. Even a larger block of bettors, wagering with their own bookies away from the tracks, are paid off on the odds

that are flashed on the totalisator. The "tote board," as horse players refer to it, is the huge, 180 foot long, green board you view in the center field of almost any track, with numbers in electric lights showing how much has been bet on each horse; the probable odds; and, after each race, the exact amount the better gets back for his \$2 ticket.

But this board is only the "front"—the part the fans can see. The board is part of a giant electrical octopus or, more exactly, of a family of octopuses. A tote layout for a track requires, in addition to numerous cables, 3,360,000 feet of wire from mutual ticket machines to tote room to infield board. Yet the tote is so mobile that 25 men can move it in a matter of hours from one track to another.

The \$3,000,000 American Totalisator Company, of which Straus was the head until his death in a plane accident in October, 1949, has 23 of these totes operating throughout the United States. They range in cost from the \$90,000 affairs at smaller tracks to the \$300,000 miracles employed at larger racing plants. When a track leases one of the units, complete with crew, the company receives one half of one per cent of the first \$300,000 bet, one third of one per cent of the next \$200,000, one fourth of one per cent of the next \$200,000 and one eighth of one per cent of all over that.

American Totalisator, which controls most of the business in the United States—there are a couple of minor rivals—has its headquarters in Baltimore.

Less than 300 people work for the firm. Most of them are maintenance men for ticket machines, electricians for the infield, circuit engineers, tote room men who are also crew managers. The field men operate in five sections of the country where the totes are routed from one race meet to another. The men are tested for six months before their jobs become permanent.

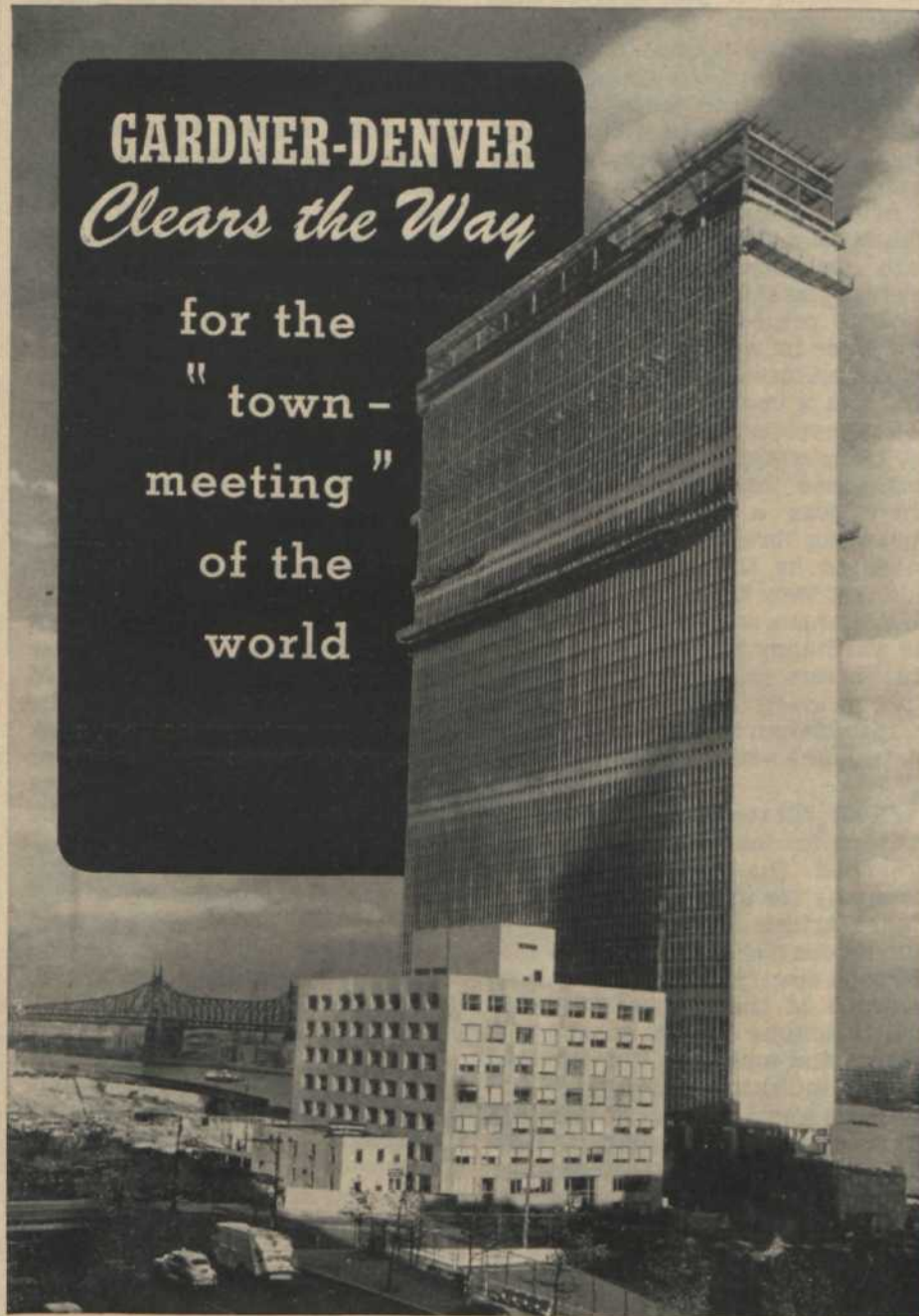
"We can't have men in our organization who are temperamentally unsuited—or who bet races," one official says.

The pari-mutuel system was devised in France in 1865 because players resented professional bookies who arbitrarily set odds. Under the pari-mutuel system, betters wager among themselves. Those who bet on the winning horse divide proportionately all the money bet on the other horses.

However, until Straus streamlined the machinery, the antiquat-

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ed handling of pari-mutuel bets under modern conditions was rapidly losing friends and disinteresting people. His annoyance at the poor return on his bet, coupled with the fact that he was a genius and a business man, changed the course of racing history.

After being graduated from Johns Hopkins, Straus plunged into electrical engineering. He erected the electrical plant for the federal penitentiary in Atlanta, Ga. Once he went to South America for an installation which would net him a commission of \$1,000,000. A revolution thwarted the job.

Straus never realized, when he envisioned his totalisator, that there was a huge, stationary, sprawling "brain" which had been invented by the late Sir George Julius of New Zealand in 1913. The Baltimorean said afterwards that he was happy he knew nothing of this foreign tote, as he would have unconsciously striven to improve it, rather than to create the mobile instrument which finally resulted.

AFTER Straus conceived of his project in its entirety, he approached the General Electric Company for assistance. They assigned Arthur J. Johnston of their remote control division to the job. He used electric relays and rotary switches of the then (1928) new dial telephone circuits to add the wagers and make the digits in the electric indicators or lights.

Straus and Johnston of General Electric went to England in 1929 to demonstrate their miniature tote to the British Racecourse Betting Control Board. The British, who love their horse racing, dillydallied and then, to Straus's consternation, rejected his totalisator as too expensive. They selected instead a cheaper tote, made by a fellow countryman.

He was back in Baltimore, still plugging away, when the British authorities, dissatisfied with their original purchase, ordered two of the devices. This was the start. But Straus had trouble selling totes back home.

In 1933, Straus finally won his big chance. He had installed a result and price indicator board at Hialeah which sported the Julius tote. Charlie and Gurnee Munn, international sportsmen, were so impressed with Straus's project that they decided to go in with him and formed the American Totalisator Company with C. A. Munn as president, Gurnee Munn as vice president and Harry Straus as a vice president and general manager.

The Straus tote went on trial at Arlington Park in Chicago with a fortune riding on the outcome. The totes used in England were for comparatively small tracks and did not handle high-pressure American betting. At Hialeah only a part of the Straus tote was in use. But at the Arlington Park track, American Totalisator staked its future.

Even then, the track operators were so doubtful that they demanded a General Electric guarantee that the tote would perform all the wonders promised. And American Totalisator, as it does to this day, had to guarantee that it balance all the sums to the last dollar—or make good.

There were many anxious moments. Straus who declared by the third race, "If I live through today I will live forever," noticed that the money bet on the No. 4 horse would go up to \$1,000 on the infield indicator board, and that then the carry-over would switch to the No. 6 horse. The anxious inventor dashed into the tote room to inform Johnston who made the necessary changes.

Another time, during that first dramatic meeting, the No. 3 machine broke down and betters could not get money down on the No. 3 horse. As might be expected, it won, and Straus had a lot of explaining to do.

American Totalisator was not held responsible for that—but when a machine jammed later at Bay Meadows the firm was hit for \$7,950.

THE Arlington Park people were satisfied, however, and the totalisator was on its way.

Straus's tote is really an electrical adding machine, or a series of adding machines, with human calculators added to give approximate odds every 90 seconds. The human element has been removed on the large totes.

Next to the tote room at a track is the calculating room where by pushing a button any figure on the infield board can be reproduced in miniature. Before the totals are flashed to the infield board, they are shown on the miniature. As soon as the new totals pop up, the human calculators in the calculating room figure the new odds on every horse in the race.

The odds-and-price calculators, the ticket sellers, cashiers and other mutuel department personnel are direct employees of the track and handle the cash. The totalisator, in a sense, serves as an independent auditing agency

which guarantees accuracy—the score is a mere 99.99999 per cent for 16 years of operation.

When a race starts a state representative pushes a button which automatically closes and locks all ticket machines simultaneously as the horses shoot from the barrier. The placing judges have a set of keys or push buttons to show on the big board the order of finish; so has the timer to post the time in which the event has been run.

WITHIN five seconds after a race is declared official, the prices go up. The payoff is computed after money is deducted "off the top" for track and government shares. An interesting feature of the payoff is that it is computed arbitrarily only to the dime to save time and work for the mutuel cashiers' windows. So you get back \$5.60 for your \$2 on this particular race. The change, in pennies, is known as "breakage." It adds up to about seven tenths of one per cent of the mutuel play—a few seasons ago it amounted to \$7,000,000 which American betters won but didn't get. The tracks and states keep the "breakage."

You might think that the bookies would have resented Straus's contribution to improving the breed—but it's just the opposite. Bookies pay off at track odds. Since all the monies bet at pari-mutuel tracks are subject to a certain percentage for track and state—and, in some cases, as in New York, for a city—the bookie has a much higher percentage in his favor than he would in oral betting. He often has more than 15 per cent riding for him before he pays off.

Beating the races with phony tickets today is almost as impossible as finding an error in the totalisator. Some try with scissors and paste—kid stuff. One fellow had a habit of disappearing in the men's room. A Pinkerton agent, thinking he was using dope, peered over a neighboring stall. The man was laboriously erasing a number and stamping on a winning number. He was erased by the Pinkerton.

Because of expense involved the company insists on five-year-service agreements. However, it will knowingly drop some money when it puts in full equipment at a track like Goshen. Officials feel that the investment is worth it for they foresee that they will service more and more trotting tracks. They encourage the spread of honest racing in every way—as well they might.

Kid "Special" Rolls Daily



JOHN L. WILKES got to thinking one day that no one enjoys a train trip like small fry. Being president of the Jacksonville, Fla., Terminal Company, he could do something about it. He gathered up a bunch of kids, loaded them on a train and took them on a two-hour ride around the 61 miles of track in his terminal. That was 15 years ago.

The youngsters loved it, and he has been giving repeat performances ever since. To date more than 30,000 have taken the Wilkes grand tour. The kids, ranging from six to 11 years, have the run of the "Special" which includes locomotive, coach, sleeper, diner and observation car.

Between the hours of 10 a.m. and 4 p.m., when terminal traffic is at a minimum, a bus loaded with small passengers and a few parents or teachers arrives at the terminal. Wilkes conducts them to the ticket office where each of the tourists goes through the motions of buying a ticket. They learn how to check baggage, send a telegram, get travel information and ask for assistance at the Travelers' Aid Bureau.

The round-trip excursion winds up with each passenger getting ice cream. An average of 90 youngsters a day makes the trip, but whether they or Wilkes gets the bigger thrill is an open question.

—GEORGE T. LANGWORTH

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Home of Turf Champions

(Continued from page 56)

made bookmaking in New York State a major offense and scared them to cover. Without the revenue derived from bookmakers, who paid the track a fee for the privilege of operating, it was impossible to keep the plant going. Belmont and the other New York tracks closed.

Most horse owners departed for Canada, Kentucky and Mexico, where race tracks were operating. But New York's first families refused to give up. In 1912, under the sponsorship of the United Hunts, they staged a race meeting on the grounds of the swank Piping Rock Club on Long Island. It was to be a test of the Hughes Act and bookmakers were invited to participate. Feeling that if Whitneys and Belmonts were willing to go to the hoosegow for the sake of thoroughbred racing, who were they to refuse, the bookmakers answered the call. Wagering was carried on in a discreet gentleman to gentleman fashion, by word of mouth. At the end of the day only one bookmaker had been detained by the law. Later he was released in court for lack of evidence. In 1913 Belmont Park reopened with the oral system of wagering.

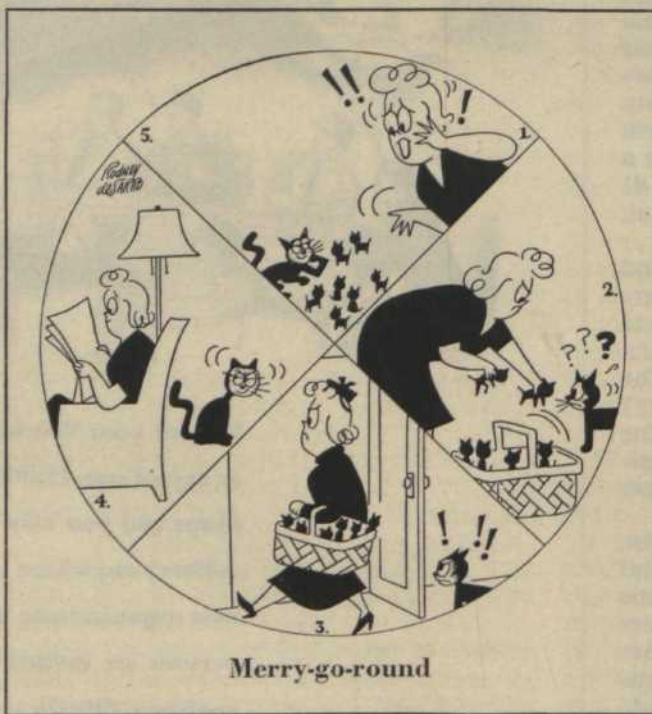
Since then the United Hunts, regarded as the savior of New York racing, has held a place of honor at Belmont, and two days a year the plant is turned over to it. At least half the program consists of jumping races.

In 1917, the Coaching Club of America, another colorful group of horse lovers, became active. This society was organized in the late 1860's to further the sport of coaching. But, as the years went by, taxis drove the coaches and fours off New York's streets. The club seemed headed for obscurity until members got together and sponsored a filly race patterned after England's famous Epsom Oaks. They called it the Coaching Club American Oaks. To further tradition, members dusted off their coaches and fours and drove to Belmont on Oaks day. The last to abandon this quaint custom when the end of gasoline rationing filled

Long Island's highways with cars was F. Ambrose Clark. However, Clark still wears a pearl grey derby and Tattersall vest on Oaks day.

In 1920, Man o' War won the Belmont Stakes running the wrong way of the track, after having previously won the Preakness running the right way. The public was displaying a strong interest in racing. Man o' War had become almost as popular a champion as Jack Dempsey. That fall Belmont's grandstand was remodeled—it had been swept by fire during World War I—and the present clubhouse and Turf and Field Club sections were added to the old grandstand. The original small clubhouse was abandoned. These changes made it necessary to shift the direction in which races were run to counter-clockwise; otherwise customers in the exclusive sections would suffer a distorted view of the finish.

In 1924, August Belmont II died



and the late Joseph E. Widener became president of the Westchester Racing Association. A fanatic on racing in the grand manner, Widener embarked on a program of improvements which actually made the press agent's alliteration "beautiful Belmont" an understated fact. He kept all of Belmont's traditions not only dusted, but scrubbed and polished until they shone like a ship's brass.

In 1927, Widener built the unique straightaway for two-year-

old races known as the Widener Course. This bisects the center field at such an angle that horses run head on toward the grandstand and it is impossible to follow them.

Ill health forced Widener to retire in 1939 and Alfred Vanderbilt was elected to his position. At the time the directors thought Vanderbilt an excellent choice. Betting on horse races in New York State finally had been legalized. In 1940, the pari-mutuel system of wagering was to go into effect. Bookmakers' stands had to be removed from the betting rings and mutuel windows put in their place. An electric totalisator had to be installed. Vanderbilt was young and energetic and able to cope with such major changes. He was interested in horses and his background was one that should insure respect for Belmont's traditions. What followed remains a horrifying nightmare to the directors.

Vanderbilt made a deal with the Long Island Railroad to cut the round-trip fare to the track from New York and Brooklyn. He got the Eighth Avenue subway to run buses to the grandstand gates.

The public arrived in a mass, and immediately the sportswriters took up its cause. Racing at Belmont no longer belonged to the Turf and Field Club, they announced. It belonged to Joe Doakes in the grandstand, and Doakes was being shoved around. The location of the finish line between the Turf and Field Club and the Clubhouse was unfair. At every other race track it was placed between the clubhouse and the grandstand. Belmont's arrangement pushed Doakes way up the stretch, cut down his visibility of the most important part of the race. But the worst discrimination of all was use of the Widener Course.

Thus encouraged, Vanderbilt pushed his fair deal. He imported an announcer, said to be the idol of \$2 betters on the West Coast, to replace one whose accent was heavy with the pseudo-British overtones in vogue on Long Island.

But the new announcer's harsh nasal singsong turned out to be too much for everyone, including Doakes. Still worse, he was unfamiliar with the colors of the big eastern stables. When he missed on the famous white with red dots of

William Woodward's Belair stud and called it some unknown westerner's, Doakes was even more upset than the Turf and Field Clubites. Woodward was a New Yorker, president of the Jockey Club, breeder and owner of such popular champions as Gallant Fox, Omaha and Johnstown. Out with the foreigner, everyone cried. Presently the soothing tones of Long Island once again wafted accurate calls over the loudspeaker.

In the spring of 1941 Vanderbilt did away with racing over the Widener Course. He built a starting chute adjoining the far turn so the short two-year-old races could be run over the main track. The new arrangement was called the "Nursery Course." The public greeted it with wild enthusiasm, and sportswriters heralded Vanderbilt as the man who had done the most for New York racing.

Shortly thereafter Vanderbilt began to agitate over the space allotted to the Turf and Field Club. He thought that this choice area should be made accessible to the public for a fee. Just what happened behind the scenes when he made his suggestion to directors, no one knows. But the next year Vanderbilt enlisted in the Navy, resigned as president of the Westchester Racing Association and went to the South Pacific.

THE present president is George D. Widener, nephew of the late Joseph E. Widener. He succeeded Vanderbilt in 1942. Widener became the fourth chairman of the Jockey Club last January.

Two-year-old races have been returned to the Widener Course. A new dining area for Turf and Field Club members has been installed on the mezzanine terrace. Still more of the terrace has been removed from the public domain for a director's breakfast nook. A terrace has been built in front of the Turf and Field Club section so members will have more room to move about. An automobile valet service has been installed for patrons who do not wish to walk from parking areas to the joint Turf and Field Club and clubhouse entrance. A reflecting pool and fountain decorates this entrance, making the park more beautiful than ever.

Doakes still grumbles, as from the same old packed grandstand he tries in vain to watch the nation's best two-year-olds run the Futurity over the Widener Course. But he keeps on coming, for where else but at Belmont can he see such an array of four-legged stars performing day after day?



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Oracle of Lafayette Square

(Continued from page 52)

In the first days of the New Deal, Dr. Moulton recalls, the Brookings Institution was asked to study government administration with a view toward economy. By the time Brookings' study was ready, the New Deal had turned its back on economy, but Dr. Moulton held his ground. When the National Recovery Administration was formed, he detached six Brookings scholars to analyze it. They promptly began plucking feathers from the Blue Eagle, bringing a fiery denunciation from Gen. Hugh Johnson, the NRA administrator.

"Before anybody asks that crowd for a prescription," the general roared, "he'd better write his own diagnosis. It has become a pressure bureau to publicize the preconceived ideas of Harold Moulton. It is one of the most sanctimonious and pontifical rackets in the country."

A month later, the Blue Eagle died in a court room.

BEFORE the Roosevelt era, Dr. Moulton and Brookings had ruffled the stolid temper of Republicans. In the 1920's, soon after Brookings set up shop, it explored the war debts of European nations to the United States and measured their ability to pay. In a series of economic studies on Germany, Russia, France and Italy, Dr. Moulton declared that the United States must cancel the debts. "As the books came out," he recalls, "they said I was 'pro-German,' 'pro-Russian,' 'pro-French,' and, finally, 'pro-Italian.'"

Brookings' volume on France was published at the moment the French emissaries arrived in Washington. The Frenchmen expected furious argument over their proposal that the debt be funded. But the Brookings' report supported the Frenchmen's views and weakened the stand of those who insisted the French pay up. The French obtained a \$10,000,000 annual reduction in their debt.

"It's not often that you can measure a man's worth to his country," Secretary of Commerce Herbert Hoover observed at the time. "But Professor Moulton is now costing the United States \$10,000,000 a year."

Hoover later was displeased with Dr. Moulton's report on the St. Lawrence waterway project. The Brookings' study spiked the

Hoover-endorsed project as uneconomic. While the St. Lawrence scheme now is supported by Democrats as well as Republicans, the successful opposition still cites the Brookings report. "In this case," Dr. Moulton says today, "we saved America \$500,000,000. I think that evened up the score."

Dr. Moulton has directed studies in every field of national economic life. In the 1930's, six states asked the Institution to show them how to balance their budgets and arrange their fiscal affairs. It did. Its scholars have been assigned to fact-finding commissions ever since Calvin Coolidge requested help in studying national transportation. Unemployment has been investigated for Senate committees and government reorganization was explored long before the Hoover Commission asked for its help. At the request of the Department of the Interior, the problem of Indian affairs was looked into, and its survey later was endorsed by the Blackfoot tribe as "800 pages of the saddest and truest annals of the Indian that have ever been written."

Except the tax levied for personal consumption, large ownership means investment, and investment means the direction of labor toward the production of the greatest returns—returns that so far as they are great show by that very thing that they are consumed by the many, not alone by the few.

—Oliver Wendell Holmes II

Today, Brookings is examining such domestic matters as the social security system, compulsory health insurance and concentration of big business. It has also established a department of international affairs under Dr. Leo Pasvolsky, an economist who served for nine years as assistant to Secretary of State Cordell Hull. Dr. Pasvolsky, a short, intense man with a large, rubicund face, recently has conducted forums for college professors to show them how the State Department implements high policy decisions. "America's role in foreign affairs is enormous today," Dr. Pasvolsky says. "Obviously we had to expand our department at Brookings."

The study of big business is being directed by Dr. A. D. H. Kaplan, a

soft-spoken economist who has prepared several Brookings reports on labor and business. Dr. Kaplan's present study thus far has taken two years and the help of a half dozen professor-consultants who have done his leg work.

"We have two basic themes to consider," Dr. Kaplan says. "First, there's the effect of big business in increasing America's standard of living. Second, there's the question of the extent to which big business outcompetes and drives out small business. We're due to publish sometime this spring. It gets rather tense as we come near our deadline."

THE tension also has increased in some of the big corporations where Dr. Kaplan and his consultants have asked pointed questions. The corporations have been most cooperative, opening their books and their trade secrets to the Brookings investigators, and they are now eagerly awaiting the published results.

"If you didn't come from Brookings," a chairman of the board told one of the consultants, "I wouldn't think of answering that question." "I don't mind you telling your colleagues what I've said," declared a vice president. "But be sure you don't tell mine."

While big business awaits one more Brookings report, the scholars of Lafayette Square report each morning to their quiet offices. They are sober, dedicated men who often spend years immersed in a single assignment. "It's not so easy staying objective for 30 months at a time," one economist observes. "Sometimes it's quite a strain." Recognized both at home and abroad, the men often attract visiting pedants to Brookings. "I am like a sponge full of water with my subject," a professor from Vienna said recently. "Now I go home content."

The Institution is housed in a bank-like building between the White House and the United States Chamber of Commerce, neither of which agrees with all its findings. Its next door neighbor—the national headquarters of the CIO—is seldom entranced by Brookings reports and has taken sharp issue with recent pronouncements on labor policy. Sometimes in the late afternoon, Dr. Moulton emerging from his building passes Philip Murray emerging from his. "We usually nod to each other," Dr. Moulton says.

The experts of Brookings, whose opinions often are diametrically opposed, still meet together for

lunch in the building restaurant to talk shop and consider the state of the world. Among them are Democrats and Republicans, Fair Dealers and conservatives, each seeking in his way an approach to the elusive, objective truth. When Dr. Moulton joins them for lunch, the discussion usually turns from economics to sports or farming. On occasion, Dr. Moulton may review the batting average of the Washington Senators in 1938 or ask his staff to guess how many kernels there are on an ear of corn.

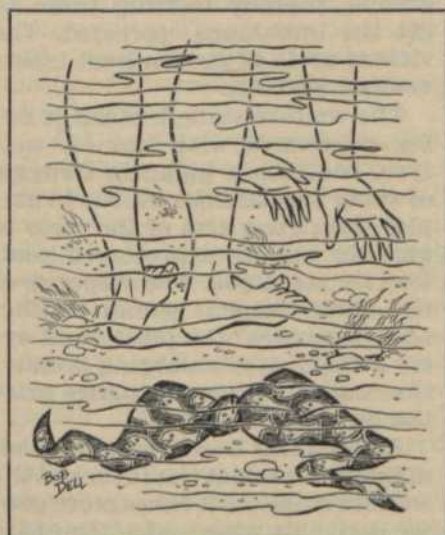
Before the war, when Brookings granted fellowships to young graduate economists, there was sharper discussion in the lunchroom. Since then the staff has grown older and, some alumni believe, a bit stodgier. "Brookings," a former fellow declares, "is now in a cocoon. But it will emerge again and you'll be hearing more of it."

Meanwhile, the experts go on with their studies. Not long ago, a former professor from Brown University was discussing the difference between the academic life at college and life in a research organization. "It's a far cry from Brown," I suggested. "No," said the precise professor, "just a medium-sized cry."

Another expert considered the question of whether Brookings was keeping up with new economic thought or, perhaps, was falling behind the times. He spoke at great length on the subject, exploring it from all aspects. It was getting toward lunchtime and my watch had stopped.

"Pardon me," I interrupted, "but do you know what time it is?"

The economist, deep in his thoughts, reached into his vest, drew out a watch, consulted it and said: "Yes." Then he put his watch away and went on talking.



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The Police State's Jigsaw Pieces

(Continued from page 43)

appointed officials, each concerned only with his specialty and not caring too much about the individual, the taxpayer, or the economic impact.

On top of this compulsory layer of social security, collective bargaining is cementing down a supplementary layer of security benefits. Now it is pensions. Tomorrow it will be cash sickness, hospitalization or surgical insurance, and a host of other features.

Once a worker has built up innumerable rights under these programs he cannot afford to leave his job. He becomes a job prisoner. Even after he retires he may have to remain a dues-paying union member; otherwise he is cut off.

UNDER a new job he might have to go through another qualifying period for some of the programs. He would lose accumulated rights. He can't take the time to figure out what he would lose and what he might gain. He's stuck. This is the trend. Most of these programs are relatively new. The full weight of security is not yet in evidence, but it will become more evident.

Thus we build a new feudalism. In the past a job meant so many dollars per week. Today it means a host of conditions, appurtenances, and supplementary features, to say nothing of union requirements. Today, with a job goes a bundle of welfare, this one with a little less, that one with a little more.

A man takes what goes with the job. What size the bundle will be when he needs the benefit he doesn't know. It is that uncertain. He may not want or need much that goes along with it. He might prefer a straight salary or wage and buy his own bundle of welfare. But this is largely denied to him. What might have been his money already is spoken for. Welfare must be paid for and the worker does not get paid twice for the same work, even though the labor leader may talk at times as though "industry" or "business" has great capacity to pay endlessly for more and more.

The British workers rapidly are being cured of the notion that they are working for a "capitalist" or even socialist state, and discovering that they are working for themselves—workers of one industry exchanging their products for the products of other industries. When not much is produced, there

is not much to exchange, for which the British have invented the name "austerity."

Most people go along with some such social security program, although many favor doing as much of this as possible by voluntary group methods, particularly health insurance. The existing social security program plus the new features stoutly promoted at present, such as socialized medicine, will cost about 20 to 23 per cent of payroll. This tax-take plus the normal income tax withheld from pay envelopes cuts a deep slice out of current earnings. Thus the area of free consumer spending is narrowed down.

These benefits are not costless; they must be financed and financing them is felt in the price structure of everything we buy. Because prices seem high, an unceasing ferment expresses itself through a



restless labor force, ever struggling through successive annual wage demands and supplementary fringe benefits to overcome the effects of the tax costs.

If these social security benefits could be kept on a modest basis to protect the individual against want and were this all there is to the welfare state, then the normal growth in productive capacity might make it possible to absorb these burdens. But, as we have seen, the welfare state must be either unfair or impossible.

Trying to be fair, it must offer all the people the blessings it gives to the few. What it fails to offer, it has taught people to demand.

Among the current demands are socialized medicine, federal education, federal housing, the last named to be added to the complicated housing structure that the Government first started in 1934 and which already includes a vast array of financial, credit, lending, and insuring institutions.

By actual count there are some 50 different ways of designing the terms and conditions of a Federal Housing Authority loan, depending upon the kind of dwelling and the special "class" of borrower that may be involved. There are special provisions for farmers, war workers, veterans, "lower cost" housing, large-scale construction, cooperatives, public bodies and a host of others. When a borrower falls in several classes, the Government has to hold a committee meeting to "dispose" of the case. The interest rate paid, the down payment, amortization, mortgage amount, the degree of guarantee, the mortgage-insurance provisions, inspection vary from case to case.

At the moment, "middle-class" housing is given special consideration. To qualify, the homeseeker must be not too poor or too well off. If his salary goes up, it raises a problem for Government. A recent rumor in one housing project that the Government was going to control the right to have babies was premature, but not entirely preposterous. There are rule books for nearly everything.

NO one would quarrel with public aid for people in want and distress. The most fundamental danger of the welfare state is its ubiquitous penchant to cater to special interests, groups and voting blocks. What this does to the efficiency and good economic health of our productive system is never viewed as a whole. The betterment of each group is at the expense of other groups, thereby inciting them to get the imbalance corrected. The vicious cycle of government intervention goes on.

The welfare state, instead of being concerned with human welfare, becomes a gigantic struggle of every special interest out to employ the strong arm of the state to gain, or regain, a preferred position for its clique. The response of the state deepens group conflict and "improves" the position of every group not by enlarging production but by putting a higher price tag on smaller output.

Against this background it is not difficult to project the future of the welfare state. As it takes more people under its wing and attempts to

draft rules for their conduct, the costs mount, the economy becomes more rigid and unadaptive to underlying changes. Productivity is impaired.

In some respects, the future is already at hand. The costs of even the present system are beginning to get out of hand and, if the welfare state is to be fair, its costs will continue to grow.

This added to the financial burden of the cold war will trench on the savings of business and of individuals. Without new investment, innovations and techniques, economic progress is impossible. The *Economist*, the British liberal weekly magazine, states that personal savings in Britain have all but disappeared. Venture capital is growing relatively scarcer by the day in the United States. The welfare state puts first emphasis on consumption, at the expense of production. But this, too, is self-defeating.

UNTIL the last decade or two our productivity per man hour has risen about 2.5 per cent per year. Since 1940, it is doubtful that this rise has been one per cent per year. At this rate the ambitious plans for more welfare cannot be financed. Strong action to get more production will have to be taken by those who are responsible for the welfare state's operation.

Yet the welfare state helps to create unemployment. It prices the workers out of the labor market by jacking up minimum wage rates, hoisting payroll taxes and building up militant, aggressive labor unions which demand each year more pay for less work.

The politicians know that they cannot tolerate unemployment. They know that if it takes too long for youngsters leaving school to get absorbed into the active labor force there will be trouble and undue turnover among the politicians themselves. They know funds must be found for new investment to create the necessary jobs and a rising tax base.

Taking on all these responsibilities, the welfare state also will assume some strange and originally unintended forms. It will not be able to tolerate ever rising wage rates and growing fringe benefits. It will invent new financing agencies to supply capital to marginal firms. It will create "mixed" corporations to marry private and public capital, private and public managerial talent. The Government will set up more bureaus and investigations to "aid" small business to help undo the damage done



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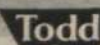
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by making it impossible for small business to flourish. But big business will get the blame.

Government will operate on deficits most of the time. This will dilute the currency and, through rising prices, strike hard at the folks whose incomes lag behind. In turn this calls for still another spoke in the wheel of the welfare state. It will re-establish price controls, mostly to make palatable the labor controls which it will be forced into.

Such a state will require a new type of politician. The complications of the system already are such that Congress has trouble dealing with them. More power and final authority will have to be transferred to the bureaus.

A GOVERNMENT which is to direct investment, supply housing, control labor demands, make rules for farmers, workers, the old, the needy, the householder, the sick will need politicians and bureau chiefs who are tough and permitted to make decisions without waiting for the slow processes of democracy.

Such politicians must decide where new investment is needed to put the unemployed to work. It must tell workers where to work—so many in the Army, so many in mining coal, so many in reclamation work, soil conservation, or tending government-operated stores.

Unless there is a rapid inflation fed by a growing money supply, the politicians will not be able to absorb the new type of annual wage increases to which labor is now committed. So they will be forced to discipline labor leaders.

Through federal aid to education and a host of other such programs, the beneficiaries will be made to understand that continuation of this aid depends on their "cooperativeness." Already our Government has enormous capacity through its control over news and information to create the feelings and attitudes among people as it wishes. Once the welfare state goes into full bloom, this type of control will be all-pervasive. Already the Government influences or controls nearly every major business on such a host of fronts—SEC, FTC, FCC, Department of Justice, congressional investigations, procurement by Government—that many a business man is silenced into relative quietude. This is the process.

With ever-mounting controls and expansion of Government into

welfare statism, the direct and the subtle power of Government over business will be complete. Its survival will depend on governmental procurement orders, rules and regulations, government attitude toward particular labor leaders, licensing provisions, price and investment control, skillfully employed subsidies and controlled interest rates.

THE police state does not come into being because some evil genius plans it that way. The total state is the welfare state grown up. If you make the policeman responsible for clearing the streets of children by curfew, you must give him *power* and *authority* to clear those streets. This means power over children and parents. This should be obvious to all—perhaps it is.

But in the field of politics and economics people cannot think this clearly because the issues are far more complicated, the interrelations are devious and intangible. People do not see why it must be that if we make Government responsible for jobs, employment, production, farm income, social security, etc., it is just as necessary for that government to have power and authority to order and control you and me as it is for the policemen to control the children. But it is so. That, too, is only fair. We have seen it over and over again. But we always are told that it was because Stalin is a bad man, or Hitler was vicious, or Mussolini was misguided.

We always make excuses because *our* hearts are in the right place. We believe in the dignity of man, we will work for welfare because we have been told that there is a welfare clause in the Constitution which makes these things right and proper.

The clause is not there, at least in the way the welfare staters use it. The courts consistently have held that the welfare clause of the Preamble to the Constitution gives no power to either the national or the state government.

If we want it there, it might be more honest to rewrite the Constitution to provide for the kind of government the welfare state will set up. In the rewriting, we might want to leave out the clause "insure domestic tranquillity" which the Founding Fathers emphasized equally, and put ahead of "the public welfare." They put it, in fact, right after "justice" and ahead, even, of "defense." Under the welfare state, we could, apparently, omit it altogether.

Hospital that Visits Homes

INSTEAD of taking his patients to the hospital, Dr. Irwin C. Albert of Cincinnati takes the hospital to them. His hospital is a one-ton panel truck outfitted with \$4,000 in medical equipment and in which he travels about the city making X-rays, doing blood counts and taking heart tracings at the homes of patients who otherwise would have to visit a hospital.

When Dr. Albert started his "Hospital Facilities at Home Service" shortly after his discharge from the Army, he met with stiff opposition from more conservative-minded physicians. Today, they as well as his



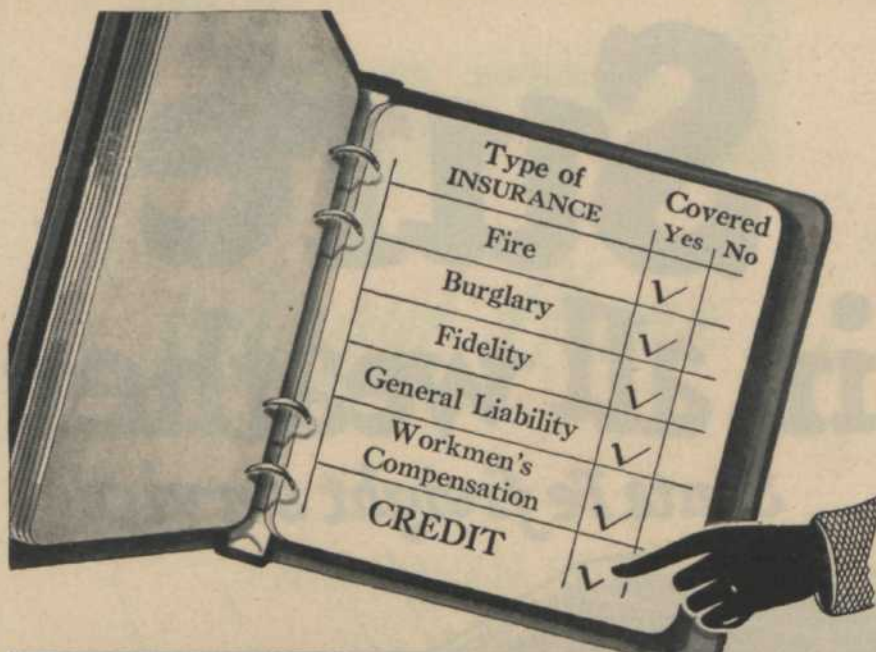
patients have nothing but praise for the service. At the same time Dr. Albert helps to relieve the load on overcrowded hospitals.

Every time he wanted to send a patient to the hospital, he discovered that a long waiting period often was necessary. He soon arrived at his answer to the hospital shortage. His fee is \$10 for a blood count and \$15 for an X-ray. He develops the negatives on the spot.

His traveling hospital is a profitable one, too. Not only do patients prefer "hospitalization" at home, but other doctors call him day and night to visit their cases. He now plans to operate a fleet of one-ton hospitals on wheels to service Cincinnati and nearby communities.

Until the nation-wide shortage of hospital beds is alleviated, Dr. Albert believes that mobile units such as his offer the most practical solution.

—LLEWYS GLYNNE



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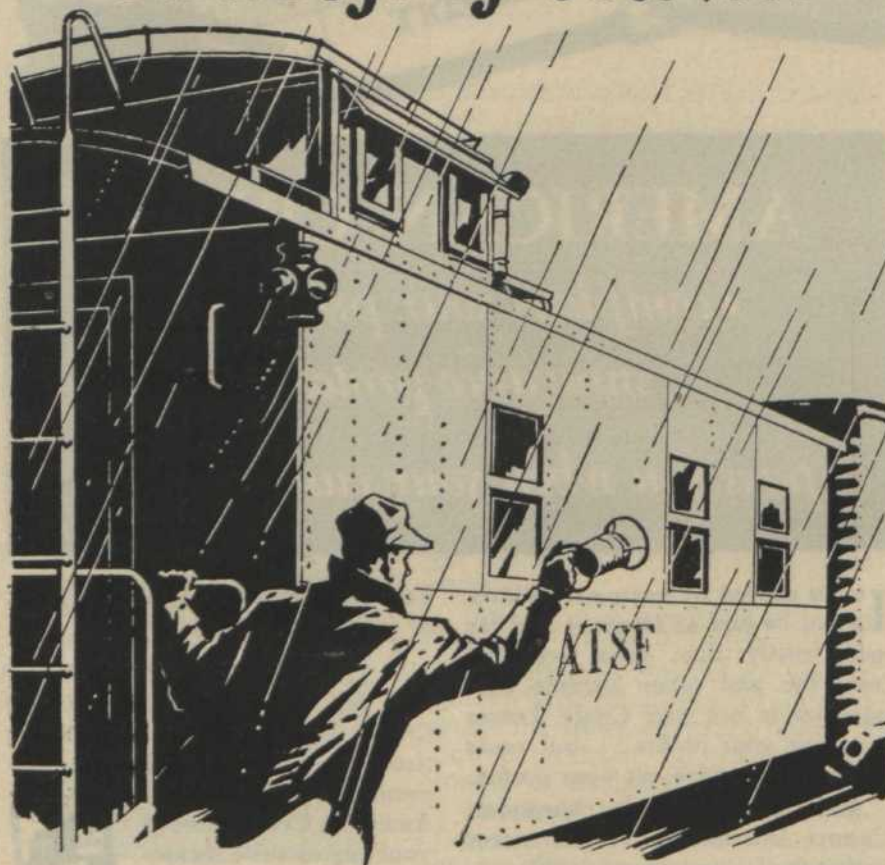
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Santa Fe—all the way



Guided Tours to New Ideas

(Continued from page 49)
a few specific gains already are recorded.

American methods are speeding up cement construction in rebuilding Rotterdam harbor.

Italy last year produced her first crop of American hybrid corn, with all its meaning in bigger crops and pest resistance—as a direct result of seed and knowledge gathered on a TA visit.

Robert McNab, foundry manager of the Clyde Alloy Steel Company of Scotland, reports that merely by rearranging his plant and using American methods, without expenditure for new machines, he has lifted his output from 70 tons a week to 85 tons.

British foundries now turn out castings by machine, 15 an hour, which, before TA, they had produced by hand at the rate of five an hour. Man-hours required per ton have been reduced from 171 to 161.

USING what its meat-packing students learned in the United States, Denmark is now exporting more of its famous hams, prepared and packed to compete in foreign markets. The Rowde Company of Oslo used to cut rubber shoe soles by hand. It now uses a machine and has tripled output. Factory by factory throughout Europe, the new idea is taking hold, the radical new idea that the primary purpose of working is to produce.

On the American side Merck & Company says that "our people picked up a few pointers which proved helpful." The British, for example, had an ingenious way of corking bottles containing fluids for syringe injection, where the syringe must be thrust through the stopper. Raymond M. Seabury, secretary of the American Drop Forging Association, expressed interest in no less than 30 items suggested by the visitors. In one midwestern foundry a visitor proposed a different type of chisel for performing a certain job. When he returned next day he was surprised to find that all the chisels had been reground overnight to make use of his suggestion.

Americans learned, too, that Europeans care for their tools and machines more conscientiously and have a desirable pride in fine workmanship. Accident statistics favor the Americans, but safety

regulations abroad are more rigid than in the States. As Alan Cowan of the packaging team remarked: "In Britain, our safety idea is—don't let that thing drop. In the States, yours is—watch yourself when that thing drops."

Webb Sparks, representing the National Association of Manufacturers, attends every arrival and departure of the foreign teams. "On the basis of every team to date," he says, "we get as much out of this as they do."

OF COURSE, it is not reasonable to expect big results too soon. There are more serious matters to change than mere machinery.

"TA has inaugurated a whole new trend in French thinking," diagnoses Prof. Jean Fourastié, chief of the interministerial committee on productivity. "We had been thinking that the problem of raising our standard of living was political or legislative. Actually, we have come to see that it is a problem of producing."

Paul Chatelin, leader of the French gray-iron-foundry team, tells the story of a 70 year old French foundryman who proudly displayed an ornamental ash tray made for him by his coworkers—a magnificent cast, in a single piece, the product of much time and effort.

"American foundrymen," said Chatelin, "would have cast it in two pieces, the base and the ornament. It would have looked just as well and taken a tenth of the time." "I prefer the French method," replied the veteran stiffly. And Chatelin adds: "It is that attitude we must change in France, and it takes time."

At a convention in England last winter the chairman asked all those to stand up who already had installed some of the mechanical aids they had seen in the United States. Thirty-three arose. Then the chairman asked those to sit down who, because of shop opposition or restrictive practice, had been unable to get satisfactory use out of the new equipment. Thirty sat down!

The many protective devices around European machinery, necessitated by safety laws, slow up production. In one instance of a paper cutter, safety devices cut its production to one fourth the American production on the same machine.

Yes, it will take time. There are basic differences between European and American industry. American factories run much larger quantities, which make for eco-

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Hurry is the Password

EVERY minute of the day, VIP is called by clients who want something, usually in a hurry. When the telephone rings, it may be a request for tickets to a Broadway show, for a cuckoo clock with two cuckoos, or a vacation in Havana. Whatever the client calls for, VIP delivers where, when and as requested.

The idea of a de luxe service business belongs to William J. Murphy, 34 year old president and owner of the company. Both the name and the blueprint came to Murphy while serving as a public relations officer in the Navy during the war. In those days, VIP meant very important person.

After his discharge in 1945, Murphy found fellow civilians



standing in line for nearly everything. His typical serviceman's aversion to "line-ups" convinced him that a service business which delivered the goods would catch on.

Today, in a Manhattan office, he serves approximately 300 clients. Requests for tickets and reservations by these people topped the \$500,000 mark in 1948, and the 1949 figures soared even higher.

While there seemed to be lines of people just about everywhere in New York in 1945, there were none in front of his office when it opened for business. A few hours of research at the public library provided names and addresses of potential clients, and Murphy began to advertise by mail.

In response to one letter, VIP received a note from a business man in Des Moines, Ia., who had been trying for two months to get a hotel room in New York. A room was found, opera tickets reserved for him, and even some nylon stockings obtained for his wife.

The client was so impressed he passed the word along to a corporation, on whose books he was listed as a very important person. A week later, Murphy signed up the firm and VIP was on its way.

Clients sign on an annual basis, with fees depending on the estimated volume of business they will drop into VIP's lap.

Probably the most unusual request took VIP slightly out of its field. Late one afternoon, a young couple planning to elope asked the service to set up a full dress wedding the following day, plus a week's honeymoon in New York. Since they were sponsored by a client, Murphy and his staff took care of the following in less than 24 hours: the minister and church, witnesses, bridesmaids and best man, ring, flowers, hotel reservations, and arrangements for a wedding supper.

Everything went off perfectly, until it came time to give away the bride. The problem was solved by Murphy himself. He placed the bride's hand on his arm, led her down the aisle to the anxious bridegroom.

It probably would surprise no one if VIP's books showed sizable expenditures for pay-offs. Yet VIP has not paid one cent along this line. At the start, Murphy presented one proposition to hotel managers, transportation agents and ticket brokers: You take care of me now, and I'll take care of you later. By "later" he meant when competition was back in business. Some agreed, and some did not. But enough did to give the service organization a working nucleus.

—HAMILTON HERTZ

nomical mass production. The American has three times as much mechanical power available per worker, so that by laboring no harder he can produce from half as much again to ten times as much as his trans-Atlantic cousin.

There is also a wholly different relation between management and labor. All visiting teams commented with envy on the friendly relations of the United States. "Your workers talk over business problems right in the presence of the company president!" said a Norwegian aluminum executive.

Said John Salter Nice, labor member of the British internal combustion team: "The American worker is a born enthusiast, a natural salesman for whatever he makes. The spirit of competition has been drilled into him from his boyhood. In every plant we visited the workers assured me that their engine was the best in the world."

The long-range purpose of this extraordinary experiment in human affairs is to help free countries gain economic strength as against freedom-hating countries. A Norwegian delegation of union men made a tour of observation in Soviet Russia in the autumn of 1948. An identical group made a similar tour of the United States, under TA, immediately afterward. The findings of the two were published in a booklet for the Norwegian National Trade Union Congress. They were simple fact and statement, devoid of comparisons or editorial comment.

CONCERNING the United States, the report said: "The American worker is today the best paid in the world. The purchasing power of his income places him in a class by himself. The period of work is shorter than in other countries. High level of income and production have in large parts of the country resulted in a standard of living which far exceeds anything we know in our hemisphere."

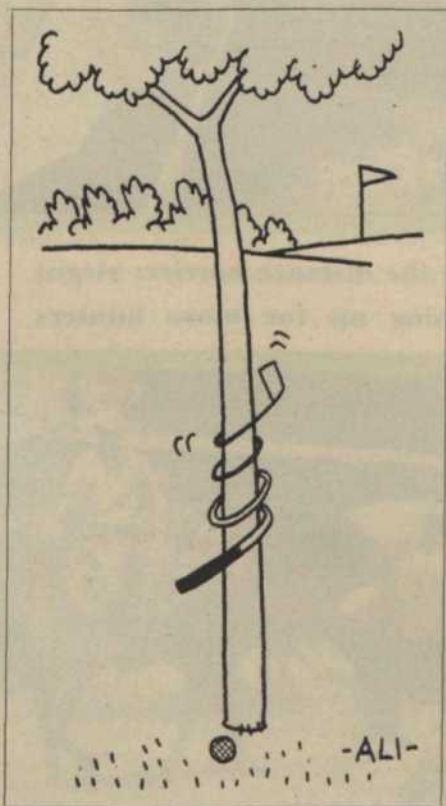
Concerning the U.S.S.R., the report said: "Much of the information which is generally asked for in other countries as indications of the standard of living, such as wage statistics and price indices, supply of dwellings, clothing, footwear, is nonexistent or unavailable in the Soviet Union. Nevertheless, it is clear that the general wage average is only sufficient for purchasing the absolute necessities for maintenance of life. Shortage of housing is frightful. The ordinary family can hardly live on

the wage earnings of the husband alone."

These unemotional statements appeared a few weeks before the Norwegian national election. Expert observers credit the booklet with being a chief factor in that election. The communist party was almost obliterated.

TA is managed on the toughest kind of business basis. Few government agencies work as hard. ECA both in Washington and New York has been permeated with a passion for money-saving, unusual in any large enterprise. Visitors receive \$12 a day for expenses while here. Passage is paid by the European nation. Railroad fares are paid by ECA; the \$12 a day allowance covers everything else—hotel, food, laundry, miscellany. But for every \$12 handed to a visiting team member, another \$12 is set up in his native country in what are called "counterpart funds," to be used only for certain constructive purposes entirely in line with ECA ideas and released only with ECA approval.

"This TA program, once only a pipe dream, has grown into the biggest and most effective scheme of adult education ever," sums up Stanley Holme, of General Electric, who is on the Anglo-American Productivity Council. "What it has done for us," says Robert A. Lodge, British management representative, "is to create anew the spirit of adventure. You have helped us forget austerity and reach forward to tomorrow."



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REFRIGERATION

Air Invasion of the Wild

By PHIL GUSTAFSON

IS the flying sportsman going to wipe out the last game and fish reserves?

ONE 90 DEGREE week end last August, Eileen Bristol, a blonde young dispatch clerk for American Overseas Airlines, flew 1,000 miles to a cool lake in Newfoundland on her first fishing trip. Shortly after noon Friday, Eileen and her mother, an old hand at fishing, took off from LaGuardia Field in a trans-Atlantic airliner and four hours later landed at Gander International Airport.

Early the next morning a small charter plane set them down on Rodney Pond. By noon the greenhorn Eileen had landed 13 trout and her mother had taken a dozen from the sparkling stream that fed the pond. Mother and daughter returned to New York in time to broil trout for dad's Sunday dinner. Two more sportsmen had joined the thousands of fishermen and hunters who have entered the air age.

The Bristols' 2,000 mile week-end jaunt in quest of trout illustrates what the air age means to the sportsman, veteran and neophyte alike. It's the dream of old hands like Mrs. Bristol to cast a fly on virgin waters or to stalk game in the untouched forest. The airplane has made it possible to reach both within a matter of hours. And that saving in time promises to bring countless newcomers, like Eileen, into the field of sport.

Gander, carved out of the wilderness for trans-Atlantic hop-offs during the war, is just one of the new air routes to open up rich fields to the air-borne angler and hunter. Within four hours' flight of New York are waters stocked with salmon, trout and tuna, and gamelands rich in caribou, moose, deer and waterfowl. A charter hop of ten to 90 minutes from Gander



HANS GROENHOFF

With the airplane shattering the distance barrier, virgin gamelands have been opening up for more hunters





37 CASH ideas

Observing that Americans bet twice as much on horse racing as they invested in common stocks, a broker said, "Business obviously needs a \$2 window."

As every business man knows, new capital is currently coy... seeks the sock or savings bank rather than risk, buys bonds instead of equities... only 12% of new savings are being invested in business compared with more than 50% in 1925.

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HOW TO RAISE MONEY by J. K. LASSER

In *Nation's Business* next month

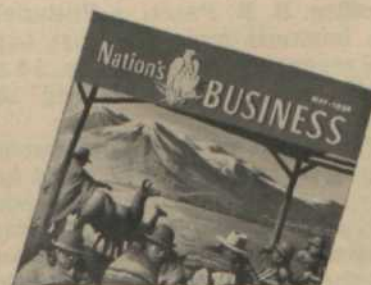
Magnolia modernized... No longer a leisurely land of moonlight and magnolia, the South is booming with industry, oil wells, retail trade... See "Here Comes the South," by Fielding L. Wright, Governor of Mississippi.

Service academies out-of-step?... The traditional training for US officers may be out of date in technological age... Read stimulating article by Maj. Gen. Hugh J. Knerr.

Big hand from big business... Union Oil Co. helps little fellows set up own enterprises... Read "Its Partners are Taylor-made" by Frank J. Taylor & Earl M. Welty.

Western Star Rises... The current westward migration dwarfs Oregon Trail, California and Yukon gold rushes combined... "The Word is Westward-ho" by Richard L. Neuberger.

Success is a symbol... Not a department store, but character and confidence was most important asset J. Graham built for his daughter. "The Things We Build," by Oscar Schisgall.

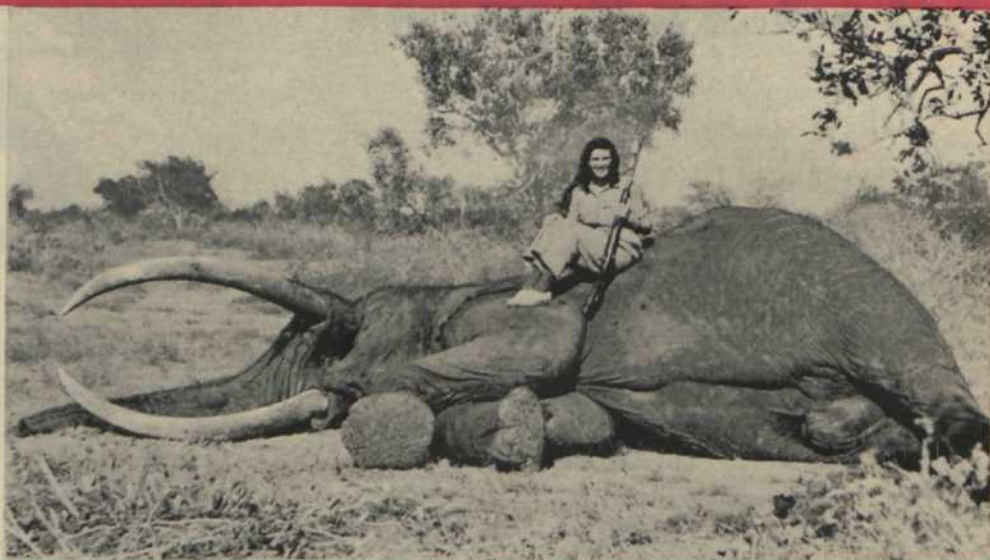




HANS GROENHOFF

Some of the best water-fowl hunting can be enjoyed in a few hours

Air-borne hunters can go to Africa, and be home in a month



BERRY S. BROOKS

gives the fisherman access to any one of 1,000 lakes.

Flying northeast from New York, the sportsman can tap a score of new preserves besides those in Newfoundland. And to the northwest lie the greatest hunting grounds of all—the territories of the Yukon and Alaska—just a quick hop for the flying hunter. If he plans it right, he can be stalking caribou 24 hours after leaving his office. R. R. Patch, a Philadelphia business man, did just that on a recent 16 day vacation, 14 of which were spent shooting big game.

"Three of us left LaGuardia Field at 7 p.m.," he says, "and arrived in Anchorage the next noon. Then we flew 240 miles to our camp, ready to hunt 24 hours after leaving the east coast, 3,500 miles away. We hunted in country vir-

tually untouched by human feet, accessible only from the air and alive with fish and big game.

"Only an hour after getting into the hills, one of my hunting partners, Chan Ford, shot a moose with a 70 inch antler spread at a distance of 125 yards. Shortly afterward, he walked around the corner of a rock and met a big brownie face to face. It's hard to say which was the more surprised—bear or man. It took six shots to finish him. When the hide was skinned off, it squared up to 11 feet.

"Second day out, I sighted a huge black bear near the top of a mountain. I had to make a steep uphill shot, which wounded him slightly. Then the bear took off across the mountainside. My guide ran to head him off and suddenly yelled:

"'Look out, here he comes!'

"The bear had reversed his field and was galloping straight at me. I caught him with a heart shot. He veered off, and after one more shot, keeled over.

"We did pretty well in two weeks," Patch reports proudly.

Even for the man who considers the grizzly tame, the airplane has brought the answer. Recently a Memphis cotton merchant and his 14 year old daughter flew to East Africa and bagged 79 animals, including a lion and an elephant. Overseas airlines will take a hunter to Kenya Colony in four days where it used to be a matter of months by slow steamer and many American sportsmen are making the trip.

The deepest jungles of Brazil are within the time budget of a two weeks' vacation. And Pan American offers to take hunters to Australia for a shot at kangaroo in

something like two days' flying time.

Air-borne hunters and fishermen not only fly out of the country but they crisscross it from Rockies to Appalachians and from Mexico to Canada seeking new experiences. A Gulf Coast quail hunter flies up to South Dakota for a crack at pheasants, and an Illinois duck hunter hops down to Louisiana to blast away at blue geese. Or a Michigan trout fisherman takes a winter vacation and heads for the Florida Keys to tussle with tuna. With tropical, temperate or frigid preserves within easy reach, the flying sportsmen need never be hemmed in by the seasons.

They usually take an airline for the long hauls and hire a charter plane at the end of the line. Most of the country's 2,000 odd charter operators carry sportsmen, and an estimated three quarters of its 80,000 private plane owners use their ships for hunting and fishing.

BOTH hunters and fishermen drop down in light pontoon planes on remote wilderness lakes and tap almost untouched preserves. Resorts have sprung up in mountain regions which depend on the plane for practically all contact with the outside world. One of these is Red's Horse Ranch, 3,600 feet up in the Wallowa Mountains of Oregon. Planes land with both guests and supplies on a 2,000 foot airstrip that nestles between 3,000 foot ridges. Twenty-four-inch trout are common in this cloistered preserve, its visitors say, and big game has to be shoofed off the trails. Directly above are the high lakes of the Wallawas, where game authorities are pleading for fishermen to catch the big trout before they outgrow their food supply. One fisherman, Sam Wade of Portland, Ore., won't even listen to anglers who brag about 18 inch catches.

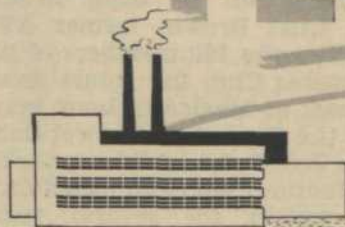
"Why, I used minnows that size for bait," he says. "That is, when I didn't throw them back to grow up. You should have seen the 26 incher I got! Took him an hour to wear himself out."

In northern Maine, planes load up with everything from sportsmen to cast iron stoves, groceries and suckling pigs and land them on remote frontier lakes. A fleet of charter and private fliers operates out of Portage, wartime seaplane base, 30 miles this side of the Canadian border. Portage-bound fishermen leave LaGuardia Field in the morning and are fishing before sundown.

Leonard Gould, a Chester, N. J.,

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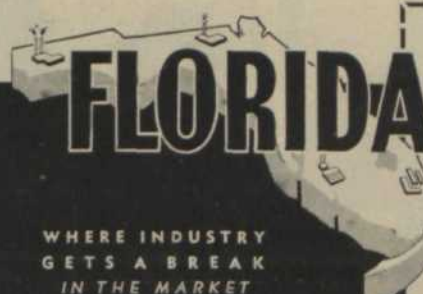
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chemist, and eight friends flew to Spednik Lake, near Eastport, Me., and each got a buck. They tell tall stories of countless deer which take courage in numbers and practically attack hunters. William Sawyer of Bernardsville, N. J., says he was knocked sprawling by a buck fleeing from another hunter. Sawyer took a quick shot and got the deer himself.

Lloyd Gould, Leonard's brother, says one deer literally blew froth in his face. Lloyd was climbing up a long, slanting boulder for a rest and, reaching the top, found himself face to face with a buck. The deer had been hugging the side of the boulder, which rose to about its own height. It snorted in surprise, and the spray from its nostrils momentarily blinded Lloyd, who lost his footing and rolled down the long side of the rock. By the time he stopped rolling, the deer had disappeared.

Paul Van Zandt of Bloomfield, N. J., got thirsty while trailing a wounded buck one day and stopped at a brook for a drink. At that moment, a buck broke out of the underbrush and jumped over his head. Van Zandt claims the deer charged him but jumped too high.

Air-borne hunters from the east shuttle all over the western third of the country for caribou, moose, elk, mountain sheep, deer, bear or cougar. Charter planes frequently are used to reach lakes high in the

Rockies. Cecil Meadows, in Bakersfield, Calif., for example, takes sportsmen to valleys 7,000 to 11,000 feet up in the peaks around Mt. Whitney, where trout and deer abound.

Cruising out of Long Beach, Calif., Chet Brown, former ATC pilot, flies the 190 members of his Adventures Club five hours down the coast of Mexico to hook marlin off the finger tip of Lower California. Jed Walsh, a fishing tackle manufacturer who had fished Catalina waters for several years without landing a single marlin, caught three on his first trip to La Paz.

The southern tips of California, Texas and Florida are hopping-off points for another rich world of fish and big game in Mexico and Central and South America. But most of the game fishermen flock to Florida and the Caribbean. Two thousand of them belong to the Flying Fishermen's Club, operated by Eastern Airlines, which picks up its members—everybody from housewives to tournament anglers—from all over the United States. Eastern sets up charter boat facilities at the end of the line and Capt. Eddie Rickenbacker awards prizes for the best catches.

One charter operator, Dick McNally, meets Eastern planes with a Grumman Widgeon and takes fishermen to Cat Cay, Bimini or down the Keys.

"The only dwellings are thatched huts," says McNally, "and if you didn't know the Florida mainland was only 100 miles away, you'd swear you were out in the middle of the Pacific."

One week-end angler—Frank Farrell, New York newspaper columnist, won a Rickenbacker prize the first time he ever had a rod in his hand.

"The whole thing was a fluke," says Farrell. "It happened on a week end when I caught an early plane out of New York to go fishing with Billy Leeds, New York sportsman. By two o'clock I was sipping a planter's punch on Billy's boat off Bimini and watching the foolish fellow work. After a while I let him talk me into taking the chair, and that's where I made my big mistake. I'd had only a ten-minute briefing when something like a whale hit my line.

"Then for the next 55 minutes everyone shouted advice while I fought my fish. He'd jump 20 feet in the air and come down dancing on his tail. He'd race across our bow—and all around us, for that matter—with the boat zigzagging to keep the line from tangling. Between all of us we pulled in a 522 pound marlin, 11 and a half feet long!"

A stream of hunters and fishermen flows north on Colonial and Trans-Canada Airlines to Montreal, Toronto and other Canadian

It's the lure of the big one that brings the fishermen flying

The sportsman passenger accounts for a good share of the business on many of the airlines that serve remote areas



terminals; local charter operators take them all over the backwoods of Quebec. Probably the biggest charter operator in Quebec is Tom Wheeler, resort owner, whose planes take sportsmen out for everything from pheasant to polar bear.

Wheeler pioneered the spectacular goose-shooting operation at James Bay at the southern tip of Hudson Bay, which brings adventurous goose hunters by plane from all over the continent. Principal feeding stop in the birds' southward path of migration from their nesting grounds on Baffin Island, James Bay is said to offer the hunter the greatest concentration of waterfowl in the world.

Though the shooting is like something out of a Paul Bunyan fable, the going is pretty rough on the hunter. H. C. Patterson, New York packinghouse official, who flew up for a week's shooting, says:

"You waded out in an endless stretch of brown marsh, and wiggle on your belly on nothing more solid than a thin layer of willow boughs. There you lie for hours with no other protection than your waterproof clothing. But you forget everything else except those swarming birds."

GAME and fish are also so plentiful in central and western Ontario that Nickel Belt Airways, Ltd., of Sudbury, offers a cash guarantee that its customers will get the limit. Covering the province with ten planes and a dozen pilots, the airways maintains two-way radio communication with lodges in the area and answers calls to bring in guests and supplies.

So many hunters are dropping out of the blue these days that game authorities are concerned for the survival of the caribou, moose, elk, bear and mountain sheep, up to now protected by the remoteness of the areas in which they thrived. The airplane brings a whole set of new enforcement problems: how to crack down on game vandals, how to enforce limits in the wilderness, how to control landings, in parks and public forests.

But properly employed and regulated, the airplane can spread hunting and fishing over a wider area and relieve pressure on the more accessible game spots. It can give a better living and new business opportunities in the industries serving sportsmen. And it can bring the enjoyment of the woods and waters to countless new thousands now cut off by time and distance.

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The Citizens' Committee to Study the City Government at the Yankee Coachman Inn. Left to right: Stephen Colosi, Gibbs Lyons, Joseph Chanko (chairman), Walter Wheeler, Erwin Schmiel

Stamford's Own Hoover Plan

By HENRY LA COSSITT

YOU ARE without question a good citizen. You've got a comfortable home, a pleasant yard, a car or two in the garage, and work that keeps you in good cigars, your wife in a Persian lamb and your kids in good schools. You get away on vacation in the summer and it's likely that you and Mrs. G. C. will be able to sneak off in the winter for a week or two to some place where the golf course is landscaped with palms and hibiscus.

You're known as a nice guy, and you are, and generally speaking life is pretty good. At least it would be if we could just get rid of the politicians who are, to use a phrase you thought up, ruining—not running—the country.

Your opinions are shared by other citizens who discuss public affairs with you, but you will admit that, preoccupied with other matters, you may be inadequately informed as to the problems of government, and you probably would be appalled and outraged if some-

THIS CONNECTICUT city faced all the problems of reorganization that the federal Government faces. What it did, any town can do

body asked you to help solve one. Government, you'd say, is the business of politicians. They asked to be elected, didn't they? You pay your taxes and vote; what else is a citizen supposed to do?

It's a question most of us have asked ourselves, so let's assume we're serious and want the answer; let's look at Stamford, Conn.

Stamford is 33 miles and 45 minutes north and east of New York City on the New Haven Railroad, about the same distance and time on the beautiful Merritt Parkway and a little longer on both counts on the old Boston Post Road. It's a city of 72,000 or so, fronting Long Island Sound—it used to be something of a port—and is 38 square miles in area. It was founded in

1641 under the name of Rippowam—from the Indians who lived in the vicinity—by a group of religious dissenters who later changed the name to Stamford, after a religious community in England, and who finally joined the colony of Connecticut.

Stamford is known as a commuter's residential community, a suburban country club sort of place. It is also an important industrial city. There are more than 180 manufacturing plants in Stamford and about 18,000 industrial workers live there. Also, there are large groups of first- and second-generation foreign-born, including Italians and Poles.

It's a place of contrasts and extremes. Not improbably because of

this, only a few years ago, it was very sick, municipally speaking. This was due to a sort of split metropolitan personality.

Stamford, you see, was originally a town. The town was—and to a great extent still is—the basis of the New England political system and the town meeting of New England, more than anything else, perhaps, was the incubator of American democracy.

IN THE town system there are three administrative officials called selectmen, who, along with minor operatives, are elected. These selectmen—first, second and third—run the town's business. The first selectman is, in effect, the mayor, and the adult population assembled in town meeting is the legislative branch of the government. Every appropriation, tax measure, bond issue, ordinance—all the town's business—must be submitted to the meeting for approval before it can go into effect.

Stamford was such a town and had been since 1641. But in 1893 something new was added. The urban section, clustered along Long Island Sound and on either side of the old Post Road, industrial and growing fast, incorporated as a city. It had been a borough since 1830. This municipal entity occupied eight square miles within the town's 38, had a mayor, council and all the other usual departments of a city government.

But this territory and its citizens still were part of the Town of Stamford, although the City of Stamford's government had nothing to do with the town's government.

The people of the city, therefore, had dual citizenship. They could vote in town elections and attend town meetings as well as vote in city elections. But the people outside the city limits couldn't vote in city elections. The city's services and government did not extend to the rest of the town, but the town's government appropriated money for the schools everywhere in the town's limits, which, of course, included the city, and the city had no school board.

Neither the city's police nor fire department could go beyond the eight square miles for service, and a building actually burned down on the town side of a street, which might have been saved had the city's department been authorized to go beyond its limits. For their part, the town's volunteer fire department theoretically could go into the city, if it wished, but naturally didn't do so. The town's police

department didn't interfere in those eight square miles, either.

There were also two sets of tax rates, one for the city and another for the town, and overlapping functions caused inequities.

Finally, attendance at the town meetings became a burlesque. Often nobody attended. The ultimate farce was enacted one night when a \$1,000,000 appropriation came before the meeting and was voted by the three people present, there being no quorum requirement, unless it was three, which permitted a two to one vote and theoretically satisfied the requirements of the rule of the majority. Regrettably, but certainly, the ancient and honorable town meeting had become obsolete.

THERE had been some attempts to clean up the mess; since 1893 there had been four referenda, but unification always had been voted down. The last of these referenda had been conducted in 1918.

But Stamford grew so rapidly in the '40's that something had to be done to avoid confusion, and in January, 1947, a bill to establish a charter creating a City of Stamford and merging the old town and city was introduced into the Connecticut legislature by the existing city government.

But this charter business was going to affect the lives and living of some 72,000 people and it wouldn't do to go into the thing blindly. So the Chamber of Commerce, backed by the Stamford Advocate, whose circulation of around 21,000 covered almost one third the population, went into action. The paper long had been campaigning for unification. So had the Chamber of Commerce, and Russell Waterbury, president, asked Joseph Chanko, general manager of the Condé Nast Press, and a director of the Chamber and one greatly interested in civic betterment, to head a committee to study the proposed charter.

Waterbury, a former dairy company executive, is lanky, spare of face and frame and looks like all the generations of Connecticut Yankees molded into one person. Chanko came to Stamford 26 years ago. "I asked Joe to organize this committee," says Waterbury, "because he was interested in doing something for Stamford."

The Chamber committee studied the charter, proposed some changes, and ultimately representatives appeared at the state legislature to urge its adoption. Mayor Charles Moore of the City of Stamford—the old, eight-



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24-49



square-mile one—and George T. Barrett, then serving as first selectman of the Town, made known their views. Representatives of labor unions, the League of Women Voters and the veterans' groups were called in. The committee also talked to the superintendent of schools, to members of the Manufacturers' Council, to representatives of the police and firemen of both town and city, and to Democrats and Republicans and to others.

Most of those interviewed were for unification, some with reservations. The committee listened patiently. The hearings were stormy, sometimes, and there was a lot of grousing here and there, but the citizens of Stamford, in November, 1947, like the delegates of the 13 colonies assembled in constitutional convention exactly 160 years before, were discussing their problems in the public interest. That was the important thing.

The firemen and the policemen, for instance, had some suggestions. Both the town and city departments wanted to keep their autonomy under a board of commissioners. Especially was this true of the town's volunteer fire department, which, like so many others, was a sort of club.

The committee made 38 changes in the proposed charter. On May 21, 1947, after passing the legislature, it was signed by Gov. James L. McConaughy, subject to the ap-

proval of the people of the Town and City of Stamford, who would vote on the matter Nov. 3.

The new charter provided for, 1, a mayor; 2, a board of representatives of 40—two from each voting district—and, 3, a board of finance, as well as other offices and officials, appointive and elective—the usual municipal organization with minor variations. But these three, along with the board of education—elective—were the most important as far as administration was concerned. The board of finance was to be composed of five members. It was to recommend—or not—the executive's money proposals to the board of representatives for approval. The representatives were to take the place of the old city council.

WITH the charter ready for presentation to the electorate, people settled back for the battle they knew was brewing. Those in favor of the charter organized a group known as the Committee FOR Consolidation, which conducted an educational campaign on the merits and advantages of the new charter.

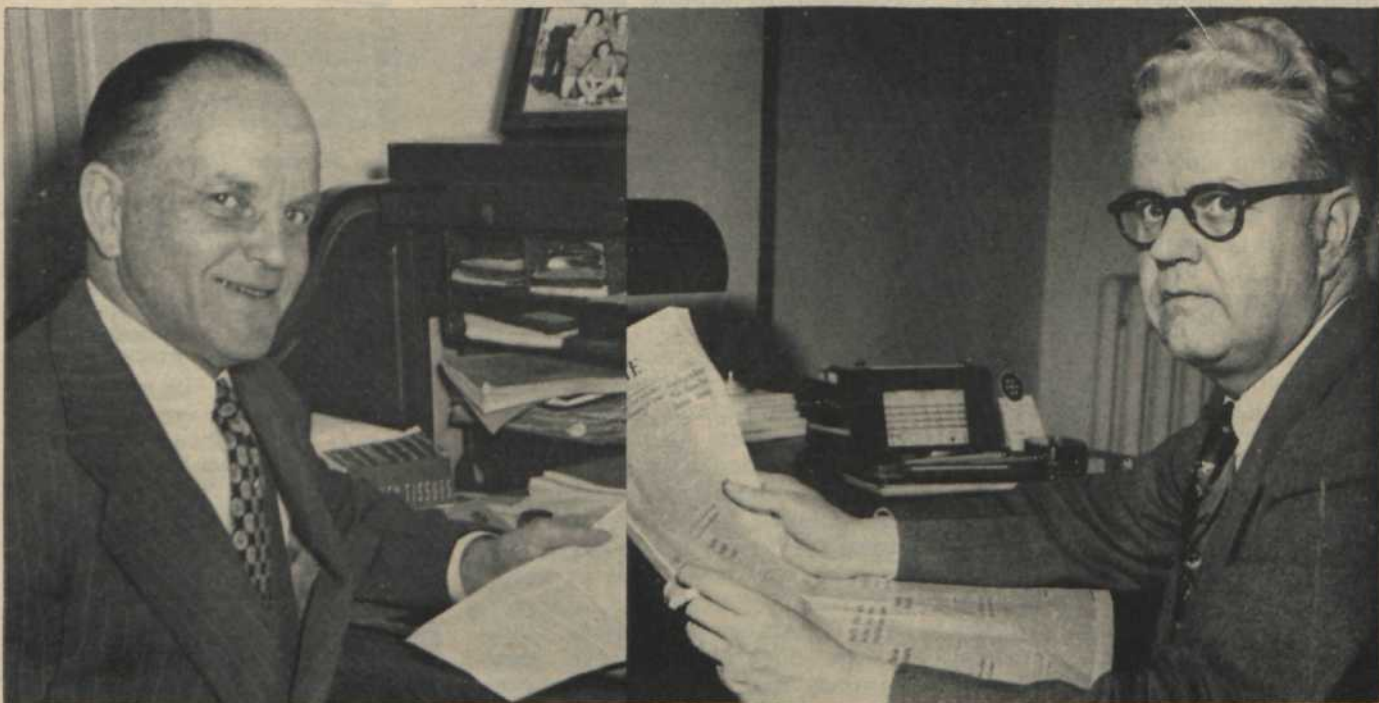
Kingsley Gillespie, publisher, and Ed McCullough, managing editor, of the *Advocate* joined. So did Mayor Moore of the City. So did Walter Wheeler, president of Pitney-Bowes; Gibbs Lyons, president of the First-Stamford National Bank; Stephen H. Colosi of the pressmen's union; Michael Wofsey,

attorney; Mrs. Arthur Ransohoff, president and Mrs. Nathaniel S. Seeley, both of the League of Women Voters, Eugene Gordon, and many others. Joseph Chanko was elected chairman of the Committee.

The Committee obtained a house as headquarters and the Ph.D.'s and trade unionists and the executives and the tree surgeon and the housewives rang doorbells and urged the cause of unification. Meetings were held and speeches made, and did Mr. and Mrs. Stamford, Jr., have a couple of young children who couldn't be left alone? The seed merchant or the bank president or somebody could take care of that; while they baby sat, Mr. and Mrs. Stamford, Jr., went to one of the meetings to hear about the new charter.

The campaign gathered speed and momentum—and converts to unification and the charter. But plenty of opposition remained, too.

Many of the opposition had lived in Stamford a long time. They had come to Stamford—the town, the rural Stamford—they said, to live in the country and avoid municipalities and the problems thereof. The less they had to do with city governments, they said, the better, and the town government suited them fine. Besides, why couldn't the city just secede from the town, if it wanted to change so much? Or why couldn't the town form its own entity and cast off the city?



George Thomas Barrett is now serving as the new City of Stamford's first mayor

Ed McCullough, managing editor of the *Advocate*, worked for the new charter

And what of the taxes in a city?

But by the time the opposition had become completely aroused, it was too late. The proponents had campaigned well and in the November election, unification and the charter won—10,101 votes to 7,455. On April 4, 1949, officials of the new City of Stamford were elected; 11 days later they took office. The charter and unification were accomplished facts.

But this political marriage, like human ones, brought certain headaches and problems. It brought, as some had feared, a tax hike for folks outside the former city, while the people in the city area got a slight reduction.

"And what do I get for this?" a town citizen, and an opponent of unification, asked. "Nothing. Fire protection? We had a volunteer department and still have. Police protection? We have the same cops as before. I haven't a sewer servicing my place or any other ordinary city services. My tax bite is just more than one-third heavier—that's all."

To which the unification people retort: "He pays his just share of the fire and police departments and for public works and other services. He's also paying his share for the use of the urban streets and their upkeep."

THE DEBATE still rages but, as Waterbury says: "Let it. We like it, and if changes are necessary the city can vote 'em."

And some changes were necessary. At least, more action was necessary. By August, 1949, another group foresaw that the adoption of the charter would involve many reorganizational problems. They organized the Stamford Good Government Association which has since grown to a membership of almost 500 and includes people from all walks of life; working men, corporation executives, professional people and clerks—in fact, a cross section of the entire community.

A board of directors was elected which, like the board of representatives provided by the charter, had 40 members—two from each voting district.

The board had union employees and corporation executives; an advertising solicitor and a couple of lawyers; a tree surgeon and a broker; a seed store merchant and several doctors; housewives, a bank president, an architect, an ex-superintendent of schools, Ph.D. chemists, mechanics—every one eager to work.

The ocean of detail consequent to unification was flooding over the

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heads of the people in town hall.

Facing such a situation, the average citizen is likely to indulge in abuse and sarcasm, and some Stamford citizens did. But SGGA members knew that, in the commercial world, the answer would be to hire experts to help work out an organization after such a merger. The citizens of Stamford, however, were asking their city government to undertake an even more complicated job, alone. For instance:

"We had to carry three sets of books," Mayor Barrett explained, "the old town books, the old city books and the new books."

ON August 31, 1949, the SGGA wrote to the mayor suggesting the formation of a Citizens' Committee to Study the City Government and recommending five men as a Committee: Walter Wheeler, the pipe-smoking corporation president, big, hearty, an extrovert, and Gibbs Lyons, the affable bank president, citizen of Stamford for only six years; Stephen H. Colosi, union leader, Erwin J. Schmiel, treasurer of Norma-Hoffman Ball Bearing Corporation, a newcomer to Stamford, and Chanko, its president.

Chanko sent the Association's letter to Mayor Barrett. It said:

"The Stamford Good Government Association has been watching with a great deal of interest the progress of the new city government since its inauguration on April 15. We have read the accounts in the press of various problems facing the new government, particularly those pertaining to fiscal matters. And we readily appreciate that at the start of a merged government there are bound to be difficulties even greater than those encountered in the merger of two business establishments.

"Our Association realizes the limitations of a chief executive's time; he cannot devote himself to a study of improvements in government and the probability is that funds would not be available to hire the professional personnel to make such a study at this time or in the near future. Therefore, our board of directors has authorized me to submit for your consideration the following program, without cost to the city."

The program proposed that a citizen's committee of five be named to study and make recommendations on major city problems; the committee just mentioned was submitted for the approval of the mayor; it was proposed that a task force of experts be named from Stamford com-

panies to make detailed studies and submit recommendations for changes—if any—to the mayor. This, in effect, was to be a "little" Hoover Commission for Stamford. The letter also asked the mayor to notify all department heads of the study and obtain their cooperation, and told him the SGGA was ready to begin operation immediately.

The mayor approved the proposed committee, said he'd felt the need of such assistance for a long time and that he would instruct city employes and department heads to cooperate. He appointed Chanko chairman.

The committee appointed its task force, a group of 17 engineers, draftsmen, accountants and methods people from such firms as Yale & Towne, Pitney-Bowes, Electrolux, Condé Nast, Norma-Hoffman and Taylor-Reed—all professionals, all experienced in methods and organizations.

"I suppose you'd call us all selfish," says Wheeler. "There's no greater satisfaction than doing something for the good of everybody and not getting a nickel out of it yourself."

"See what you can find," said the mayor. He was downright belligerent. "Even if it means I'm to be criticized, see what you can find."

The committee sent its task force into action last September and there was a little trouble here and there; some resentment on the part of certain officials and some suspicion, but this was dispelled as the good intentions of the group became manifest.

TWENTY reports and a conclusion came out of the surveys. Many a luncheon meeting of the committee was held at the Yankee Coachman Inn.

The task force's reports first were evaluated by the over-all committee of five, corrected and then sent to the mayor for his acceptance. A final conclusion reached him Jan. 31, 1950. The mayor released the reports for publication in the *Advocate* and also to the local radio station WSTC. The complete report has been published in book form and comprises 132 pages.

"It seems," says Mayor Barrett, "as if the citizens' committee which was recommended by the SGGA has established a precedent. Its report, on the whole, is the finest contribution to good government I know of."

"It was a liberal education," the committee replied. "We never realized the complexities of govern-

ment or what it means to be a city official. If we've accomplished nothing else, we've educated ourselves and a lot of other people on this subject, and something else you find out: there isn't so much wrong after all, and nobody is really to blame for what's actually wrong. Or usually they're not. Usually, it's just an accumulation of things and once the officials responsible were shown where the error lay, they corrected it. All this takes time, of course, but it's democracy and it's better than any other way."

THAT'S about all there is to this story, but you'd better know some of the things the committee and its task force did.

As you read the list, please remember they hadn't a shred of authority to enforce anything they recommended, nor was anybody in the city government obligated to accept their recommendations; but their recommendations are being carried out or are receiving serious consideration. Here are some of the major proposals:

Differences to be composed and harmonious relationship set up; purchasing department to be streamlined so that a saving of up to \$50,000 a year is possible here; budget reorganized and the fiscal calendar modernized; renovation of the town hall, so that all space in the building is utilized and modernized, thus making it unnecessary for the city to spend up to \$5,000 a year in rentals and storage fees; new fire-fighting equipment to be purchased which has been recommended by underwriters and which will reduce insurance rates; assessor's and tax collector's functions to be combined in a tax commissioner. And much more.

The immediate saving to the City of Stamford due to the committee's recommendations is about \$125,000 a year in operation, "but," says Mayor Barrett, "that's only a part of it. The confidence the people who are hired to run municipal affairs have received is invaluable."

In acknowledging receipt of the report, Mayor Barrett wrote:

"I have read all of your reports and feel that the work of your Committee is an excellent civic service of considerable scope. . . . It is a commendable piece of work and an outstanding act of civic-mindedness. Cooperation on the part of everybody will enable the City of Stamford to benefit by the many suggestions made by your Committee."

As a lesson in good citizenship, it also has its points.

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Russia's Achilles' Heel

(Continued from page 35)

of the Ukraine. If there were another war, the fighting might take a long time to reach those areas.

Another war would present the Russians with a somewhat different situation. It would make a much greater drain on manpower. The national industries—the factories, plants and mines apart from local industry and handicrafts—now employ about 35,000,000 workers. Nonessential industry is small in Russia, but with all of it shut down or reconverted, the country might get by with an industrial labor force as small as 30,000,000.

The cities and towns thus could be counted on, at most, for 2,- 3,- 000,000 of the 6,- 9,000,000 men needed for the armed forces. The great bulk would have to come from or be replaced from the farms. The collective farms now have about 41,000,000 members, and the state farms employ several million more. In addition, millions of children work on the collectives but are not counted as members. The majority of members are women, the men already having been drained off into the industrial labor force and the army.

With the patriotic and the money incentives of the last war, the farm population might be able to supply 4,000,000 men to meet the needs of the armed forces (directly, or by replacing drafted factory labor), and still maintain needed food production. And any further draft could be met only by the sacrifice of needed food output.

Few persons abroad—indeed, few experts—appreciate the complexity of the primitive system by which Russia feeds herself today. Everyone knows of the 4,540 state farms, run by managers, some with as many as 10,000 acres. These are comparable to the large-scale farms of the United States. Indeed, to try to get the same results, the Russians engaged the leading large-scale farmer of the United States as their adviser. Almost everyone knows of the 246,000 collective farms, which average about 3,000 acres, for these are the dominant type in Russia.

But actually the most characteristic type of farm in the Soviet Union is the collective farm family's dwarf holding, amounting to about an acre or an acre and a half. There are some 20,000,000 of

these holdings. They feed the bulk of the farm population for four to five months of the year. In addition, forced deliveries from them help to feed the town population.

Yet even these 20,250,000 odd farms are inadequate to feed the population. One out of every two workers in factory, mill and mine last year, after his day's work was done, had to labor on an allotment to help feed his family.

According to the All-Union Central Council of Trade Unions, 18,- 000,000 workers and white-collar employes—more than half the industrial labor force—raised potatoes and vegetables on private truck gardens of 100 square meters near their workplaces last year. Uralmash Factory workers in Sverdlovsk, for example, harvested 216,000,000 pounds of potatoes from their plots.

Thus to feed 200,000,000 people, the Soviet Union requires more than 38,000,000 farms, all of them private and too small to be efficient. And all because she cannot do so from the 250,000 collectivist farms that she has made the basic type of her agriculture.

Dr. Jasny estimates that, before the war, the collective farmer earned on the collective farm 27 cents a day. It was half what he earned on his small holding. This marks the height of inefficiency

and exploitation, as is widely realized around the world. But what is not realized is that the Russian system is the most efficient means ever devised for exploiting the farmer. An army of 4,000,000, Russia's postwar peacetime strength, cannot be maintained along with a bureaucracy and an intelligentsia of many millions, pampered beyond the excesses of the czars, if the farmer's economic reward is increased. It is this that makes agriculture Russia's Achilles' heel. It is this that forces the farmer to cheat and to steal.

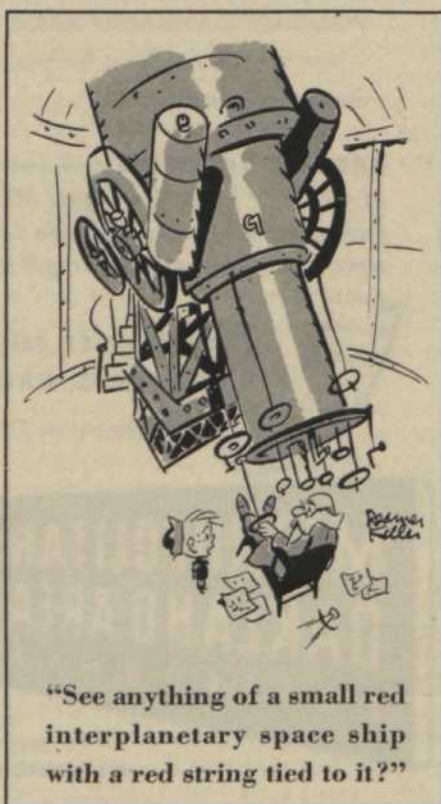
Against a potential adversary enormously more powerful economically, becoming better armed every year, Russia stands armed to the teeth—before a weak home front. Her situation is not one that will support a major military effort abroad in the immediate future. For that reason Soviet expansion now is geared to fifth column tactics, not to major military initiatives.

Pursuing the diplomatic strategy of constantly applied pressure, Russia will avoid, if she can, a major military challenge. Confronted with unyielding military force, as she was in Greece, she will back down.

While the logic of her politico-geographical situation demands that the Soviet Union avoid a major military commitment at present, it also drives her on to those military and revolutionary adventures that inevitably involve totalitarian societies in war. Russia's present preoccupation with southeast Asia represents an effort to capitalize on the most favorable political situation available. But more than that, it is dictated by the realities of the new Russian empire's food position.

In the rice paddies of southeast Asia lies the breadbasket of Asia. To add it to the Soviet empire would bring within it the first major grain surplus area within striking distance. Fully exploited, it would buy time for the empire, time desperately needed to consolidate the gains, stabilize the turbulent Chinese situation and perhaps overcome the economic difficulties in eastern Europe.

Russia's agricultural situation presents her, and the world, with a paradox, one that calls for an American foreign policy that will have to be a work of genius. It demands that she avoid a major war for the present, while taking every possible risk of provoking it. It remains to be seen if empires, any more safely than children, can play with fire.



"See anything of a small red interplanetary space ship with a red string tied to it?"

How White is Your Elephant?

(Continued from page 38)

said so out loud, it was obviously a good thing I needed only a few thousand dollars. From the bank's point of view, that loan was made largely on the land, driveway, well and foundation. The house I was building there seemed to strike them as almost a liability.

Owners' characteristic laxness about checking structural soundness gives other opportunities for sad surprises. As appraisals have become more scientific, expert investigations often reveal dismal shortcomings. The family head who takes the trouble to jam an ice pick into the sills of the family castle may learn highly interesting things that may well peel hundreds off what he always assumed the place was worth.

Sags betrayed by cracks or twisted wallpaper, prematurely deteriorated pipes, poor wiring are only a few such possibilities. Just as the smart buyer should fee a snoop architect to check any structure he is thinking of acquiring, so should the long-term owner figuring its value find out what ails it.

In view of such complications, it is a compliment to native American realism that, experts say, three out of four home owners aren't too wide of the mark in their guesses of residential values. Previous mortgage arrangements, through banks alone or with the Federal Housing Administration involved, may have helped to educate them. But even here the owner can get confused. Either type of deal probably takes into account the mortgagor's economic stability as well as the actual value of property hocked. The FHA wants a rough notion of how good a risk you are personally. So does the bank, along with confidence that you will keep the place up well. So to take the maximum a bank will lend on an FHA proposition and multiply by 1.25—which theoretically gives an expert appraisal second to none—can be deceptive, particularly on the down side.

FHA appraisals are considered scientifically brilliant and soundly conservative, which should greatly help the owner trying to find out facts—only the FHA won't tell. Fortunately the owner can often, if he likes, get close to a practical equivalent by hiring a professional appraiser who makes

a business of knowing the local answers, gathering exact data, and adding them up about as expertly in his field as the architect can add up structural soundness.

Of course, there are appraisers and appraisers. Some of the boys who dream up valuations for probate courts hardly produce even inspired guesses. The old "horseback" or "windshield" appraisal, which consisted of riding slowly past the property, then closing the eyes and dredging up a figure from the subconscious, still exists. But in most sizable modern communities there operate one or more appraisers whose standards are high.

Many of these men have taken courses in appraising in such universities as Columbia, Rutgers and Chicago. They often stage local on-your-mettle tests, a group of ten or 15 working over a sample property and then naming figures in competition. High man and low seldom stray farther than five per cent over or under the average of opinions. Some do it full time, finding enough to keep them busy in rendering service to estates, brokers, one or another government organization. Most of them are real estate men one way or another, which gives the customer the full benefit of local savvy. Thus the appraiser knows, as the owner may not, of plans for a fancy new shopping center only a few blocks away, or a scheme to run an elevated superhighway across the foot of the block.

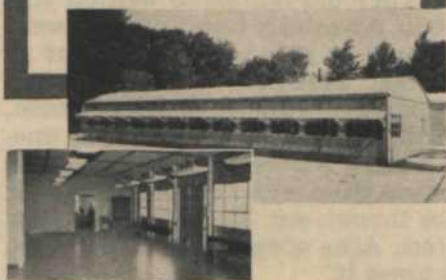
Such a check naturally costs the customer up in the hundreds of dollars. But you will probably not have to pay more than \$25 or \$50, depending on size of job, for the afternoon's work necessary for an appraisal by a good local man. Your money gets you not only a figure to chew on but also an analysis on paper of the whys and wherefores—in itself a good education in judging property values.

Such a check is certainly worth while to an owner considering selling, or selling and re-buying. It does no harm to take the appraisal figure, which is bedrock and confidential, and add ten per cent to make the asking price. Who knows? You might get it.

But when privately pondering your net worth of nights, don't kid yourself, too. How white your elephant is depends strictly on how others take to it, hands down, cold turkey, and no holds barred.

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Pardner

(Continued from page 46)

"Sure," Paul said, but he was thinking of when he and Ed Carr had become partners, of the disappointments and the little or no money, the hopelessness, and of how Ed's fierce passion never grew less.

They did not do so well on this trip. A westerly blew and they were forced to ride to a sea anchor in great, breaking waves. Salmon were everywhere beneath them, and they couldn't let out a line. Cooking was difficult. They had to strap themselves in their bunks or be thrown out. Idle, they had little rest. Arne growled about the gale, cursed it.

"Oh, shut up!" Paul said at last. "Luck or weather, you've got to take it."

ARNE looked at him in astonishment, and climbed to the tiny wheelhouse. He'd been doing this for two days, easing his leg up the steps, easing it as he watched the great seas rush at them. Paul tried to get some sleep, had dozed off when he heard a call.

"On deck!"

Paul, dazed and frightened, fumbled with the strap buckles, rolled out in a cabin standing on end, and clawed up the steps. From a window he saw Arne on the fore deck half buried in spray. The port bow pole had come away. A wave caught the outboard end and crashed it against the wheelhouse. Arne grasped it, strained, tugged, balanced when the *Tyee* rose to a bigger sea. As Paul went on deck, Arne wrenched the pole loose, pivoted and lowered it along the rail. Paul held it there but Arne did not come aft.

He gripped the steel stays of the mast with both hands, one leg swinging free, his face white and twisted by pain, a wave boiling around him. Paul clawed forward, and how he got the big man to the wheelhouse he didn't know.

"Damned leg—swingin' that pole!" Arne said. "But we couldn't lose it. Need it for fishin'!"

Paul helped him below and into the lower bunk. He took off Arne's boots and wet pants, wrapped him in blankets and buckled the straps. Arne's face was white, his eyes closed, lips tight. Paul could think only that he alone faced the roaring North Pacific.

He climbed to the wheelhouse and looked at the great waves rushing toward the tiny boat. The

Tyee had never seemed so small. This was the sea as he had always pictured it, and now he wondered what he could do against it. He could continue to ride to the sea anchor until the gale eased off. That would be sensible. Only he didn't know what had happened to Arne's leg. Arne'd never talked about it, and it must be serious. He suffered such pain and should have aid quickly.

The *Tyee* shivered from a smashing blow, and strangely Paul remembered what Arne had said, "All you ask of a pardner is he do the best he can." He considered this and all its implications, and as the troller stood on end climbing the surface of a great wave he felt a hot flush of shame sweep up his neck and over his face. He'd run out on one partner and now he planned to fail another.

Without another look at the raging sea, Paul went below. He put



cold meat and a loaf of bread in the rack behind Arne, carried food to the wheelhouse, filled the engine's oil tank. It was slow work, with the *Tyee* rearing and rolling and shivering under the impact of the seas. He stopped for a last look. Arne's eyes were open.

"I'm taking you straight through to Seattle," Paul said.

"But we got to fish!" Arne said. "Besides, runnin' before this breeze, we'll be pooped."

"We won't be pooped," Paul said.

He knew they might be. A big sea coming aboard over the stern would carry away the wheelhouse and sink the *Tyee*. He knew too

that Arne didn't believe he could handle the boat running before such a gale. He never had, but he turned at once to start the motor. Arne struggled to get out of the bunk but when the engine had settled to its slow pounding, he sank back, white and helpless.

Paul climbed to the wheelhouse and one glance out a forward window made him realize his confidence in the *Tyee* had been confidence in Arne's seamanship, just as his confidence in the Long Island factory had been based on the faith and ability and integrity of Ed Carr. Now he was on his own.

The gale was blowing hard and steady, all the way from the Alaskan Peninsula, and the great waves rolled high as the trolling poles. The little *Tyee* rose gallantly to them, burying her nose in crests that snarled and slashed her. Paul had never known so much ship could be crammed into so small a craft. She rode well to the sea anchor, but when he cut her loose her fate would be in his hands.

HE didn't hesitate, only watched his chances. At last he inched forward and cut the sea anchor line with an ax, scrambled back and kicked in the clutch as the bow swung off and a roller reared high. He yanked her back and, with only enough power to keep her headed up, he waited. Coming around with the beam exposed to such seas could so easily be fatal. His heart thumped against his Adam's apple when at last he opened the throttle wide and swung the wheel hard over. The starboard rail went under, the deck was buried in green water, and the little *Tyee* lay on her side. But she struggled out of it and fled away to the southeast on the crest of the next wave.

Paul strained at the spokes, thinking always that the next following wave would climb aboard. His breath left him but fear never did. At last, when he began to find relief in knowing he was mastering a sea which smashed and shrieked and roared, he saw the fight had only begun. Hour after endless hour, he could not relax. He was on a tight rope walking across Grand Canyon at the widest part. One slight error was all the sea wanted.

He soared into the southeast in the dusk. Night came. The *Tyee* was about 60 miles from Neah Bay when she started, and she couldn't make eight knots. But lighthouses on the Canadian shore slipped behind, then Swiftsure lightship and Cape Flattery. Paul couldn't believe it. He was making 13 knots. At 11 o'clock he was in Juan de Fuca

Strait. The wind followed, as did the flood tide. The *Tyee* rolled and yawed, and kept lunging on.

Paul was dead on his feet, yet he felt a peculiar elation. The wind had been blowing 60 miles an hour in the open Pacific, and he'd licked it. He had a vague feeling he'd licked something else, too, something vastly more important than a gale, but he was too tired to think what it was.

In midafternoon of the second day he reached Seattle, could scarcely stand on the unheaving land. He took Arne to a hospital, returned to the boat and slept until the next noon, hurried back.

"You got that man here just in time," the doctor said. "Not serious now, but it could have been. He went fishing too soon. Next year he'll be fit as ever."

Paul went to Arne's room. Arne'd had the verdict.

"So you fish alone, Paul," he said. "You can. All the way in I listen and feel, know everything you do. Not once do you make mistake. You be good pardner."

"I'm not a good partner," Paul said, and wondered why he said it so savagely. "You showed me that."

Arne was amazed. "I never had a better," he said. "Maybe a pardner snores or don't cook so good, which ain't why you pardner up with him. It's because you know he don't quit when things are tough. Like you, bringin' me in. That was a real breeze, feller. But with me hurt you says, 'To hell with it.'"

Suddenly Paul understood that vague feeling he'd had when roaring up the straits, a feeling that he'd licked something more than the gale. He understood, too, he'd been only playing with the sea, even in a trolling boat with death riding on the stern. He'd played with a partnership and all it implied. He understood this perfectly now, and he knew peace.

"Thanks, Arne," he said. "Thanks for more than you know. But I'm quitting you. Second time I've quit a partner. Only the first one—it was 20 years, and he needs me. You don't. By spring you'll have two good legs under you, and you need no more than that. The *Tyee's* yours, too, and all we made this season. Plenty to give you a good rest. Now—I've got to phone New York."

From a booth in the hospital he put in a call for Ed Carr, quickly got him, and heard the worry in Ed's voice.

"I wanted to tell you I've beaten this thing out here," Paul said. "I'm coming back, pardner."

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A Journey Through the "Welfare State"

(Continued from page 40)
age "assistance" under the same Act—the charity feature; state relief; county poor farms, etc.

People out of work: unemployment insurance, the U. S. Employment Service; the WPA, PWA and CCC of the 1930's.

Working conditions: factory inspection, minimum-wage laws, mine inspection, silicosis prevention, etc.

Shelter: building inspection, rent controls, FHA loans, federal and state housing projects, slum clearance, GI housing loans, etc.

Farmers: the Homestead Act, parity price supports, farm credit agencies, AAA, the Food Stamp Plan, the Soil Conservation Service, the fertilizer program of the TVA, and so on.

Labor unions: anti-injunction laws, the Wagner Act, the Taft-Hartley Act, the Federal Conciliation Service, and plenty more.

Industry: highways provided free for the trucking business, subsidies to airlines for carrying the mails, postal subsidies to magazines, newspapers and book publishers, subsidies to the merchant marine, RFC loans to banks, insurance companies and business enterprises like Lustron, the protective tariff as a subsidy to many industries.

General supervision and protection: antitrust laws, the Federal Trade Commission and Clayton Act, Securities and Exchange Commission, the insuring of bank deposits through the FDIC, the Interstate Commerce Commission, the Federal Communications Commission, the Federal Power Commission, and so on and so forth.

This is not the full list by a long shot. It includes some services which have been discontinued, like the WPA, some that are only proposed, like federal aid to local schools, but most of them are current and going strong. We could put down many more if we had the space, all coming under the head of welfare state as defined.

Certainly no American is against them all. Yet plenty are passion-

ately for or against the abstract term.

As one goes down the list, adding a date now and then, one realizes that most of them originated in response to a need, sometimes, like the Homestead Act and unemployment insurance, a roaring, driving need. Even the tariff filled an important need at a critical time when new industries were being established and needed protection. There is a reason for every item on the list and often a pretty good reason.

Some people will line up against aid to farmers; some farmers may line up against help to unions; some unions may line up against subsidies to industry—but how many of us are against aid to blind and crippled children, against pure food and drugs, against conservation, land grant colleges, and the Homestead Act? When we get down to earth where pictures can be taken, emotion evaporates and critical evaluation comes in. On



this level nobody is against the welfare state in toto, and nobody is for it.

Evaluation means a lot of hard work, however—which is one reason perhaps why more citizens do not attempt it. Prejudices are great timesavers—one does not need to make any mental effort. It is far more difficult to reach sober judgments about 100 agencies whose performance we are mostly unacquainted with, than it is to hammer the table about the "down-trodden masses," or the "drift to socialism." But on the analysis level we can at least find large areas of agreement, where on the table-pounding level we can find none.

Suppose we take a service falling under the head of the general welfare—one which shares the headlines today with the H-bomb. As medical science expands the life span, problems of the aged in a high-energy society become ever more acute.

J. W. Myers, who figures out the pension system of the Standard Oil Company of New Jersey, in an article in the *Harvard Business Review*, says that the demand for economic security is world wide, is growing, and while it may be regretted, it cannot be ignored. Sooner or later, he says, "men take steps to protect themselves from what they fear."

Jersey Standard set up its first pension plan in 1903, and has had almost 50 years of experience, so Myers is not talking through his hat. The policy of this company now is based on a partnership between public and private pension systems.

The federal Government should meet basic needs, and private employers, wherever possible, should supplement that base with what might be called a "comfort" standard, giving the retired worker a pension not too far below his average income in his active years.

Other Jersey principles are: Joint contributions by employee and company; mandatory retirement at 65 to keep the company "young" and its operations efficient; the "vesting" principle whereby the employee does not lose the right to his pension when he leaves the company for any reason; uniform treatment for employees and executives; flexibility to meet changing price levels and conditions and checking all changes in the plan with employees.

Ninety-eight per cent of Jersey workers are participating in the plan, and are almost unanimous in their praise of it according to opinion polls. Meanwhile labor turnover is low, morale is high, and a glance at Jersey's earnings shows that somebody is showing plenty of initiative. Management feels that old-age security, far from causing workers to coast and dawdle, has the opposite effect. Indeed, Dr. Sumner Slichter, the distinguished economist, points out that if a man feels that his old age is reasonably secure, he may be willing to take more risks in venture capital enterprises.

The Jersey plan is government "welfare" combined with company

"welfare," a combination we are likely to see much more of. The management likes it, the workers like it, doubtless the Social Security Administration is pleased. Frank W. Pierce, a director of Standard Oil Co., in a talk to a management group makes an eloquent case for provisions against economic insecurity under machine-age conditions:

"Men and women want security—security for themselves and for their families . . . against sudden onslaughts of the unexpected, against illness, disease, death, loss of earning power, depression and old age."

Since 1919, says Pierce, people punching a time clock have increased 60 per cent, while the number of the self-employed has not increased at all! What a lesson in these figures! In a rural economy the farmer and craftsman have some control over their economic destiny. The machine-age worker

It must occur to sensible people to ask themselves how it is, if the American system is wrong, that the American democracy of 140,000,000 hard working people are able to keep themselves at a far higher standard of life than we are and are able to lend us a helping hand and give us so much aid and bear so large a part of our burden.—Winston Churchill

is at the mercy of forces beyond his control, and often beyond the control of his employer. War, inflation, depression, industrial shifts, unemployment, a crippling accident, a major operation for his wife . . . what blow may not fall next?

It may be objected that the employee ought to save a competence for his declining years, as well as for other emergencies, without help from either government or employer. But to provide an annuity of \$100 a month at age 65, means he must save \$15,000 over his working years! This is quite beyond the power of the average worker with a family to rear. Elmo Roper quotes a Detroit housewife:

"My husband's an auto worker. He makes good pay every week when he's working, and we have no kick about that. But it costs a lot to live these days, and with a couple of kids we have all we can do to make ends meet. We just can't think of such things as savings accounts, or putting some away for our old age."

Besides, if auto workers, and other workers, began to save in a big way, what would happen to sales of television sets, washing machines, parlor furniture, radios and new cars? We Americans have a stern duty as consumers.

In 1900 there were only about 3,000,000 Americans 65 or older. Mostly they lived with their relatives in rural areas, and were no great problem. Now we have 11,000,000 and often there is no room to double up with relatives in cold-water flats. By 1980, the way things are going, we will have 22,000,000. As Myers says, there is no ignoring a problem of this dimension; it must be faced.

SOMEHOW old people must be taken care of. Only societies which are seriously short of food ceremoniously kill the aged. A pension is the most honorable and decent way to care for them in our society. Can we afford it? Dr. Slichter in the *New York Times* for Oct. 16, 1949, calculates that eight per cent of the U.S. payrolls will be needed for an adequate if modest pension. U.S. production, he says, has been increasing some two per cent a year on the average. If this rate can be maintained, production shall be up some 80 per cent in the next 30 years. Hence, he says, the cost of old-age security may not be more than one tenth of the gain in production. Production, of course, is the key.

"A great nation," remarked the London *Economist* recently, "can afford anything it can produce." It looks as though there was room to turn around in, if production continues to rise. The 50 years' experience of Jersey Standard indicates that a pension system helps rather than hinders production.

THE above are a few of the issues involved in just one of the activities included under the verbal blanket of the welfare state. We touched on public and private interlocking systems, incentives, risk taking, mass demand, size of annuities, the increasing life span, interdependence, gross and net costs. There are plenty of other angles.

Returning to the list of agencies, of which pensions are but a single example, it is possible, of course, to make a similar highlight inventory of each—but I have not the space, nor the competence. It just happens I have been looking into pensions lately. No individual could do the whole job. A truly gigantic task is involved, altogether too much for one man. There are, how-

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ever, some general statements one can make about the list without violating, I think, the underlying facts.

1. Every agency originated in popular demand, not in ideological manipulation. The British Labor party is now engaged in nationalizing some industries for purely ideological reasons. Our list contains no single case of this. Americans were landless, jobless, sick or broke or scared. Industries were deep in the red. Philip H. Willkie, in a letter to the New York Herald Tribune, puts it this way:

"Most of the American people are not concerned with an overwhelming fear of socialism, statism or the welfare state. They are concerned with living. They think about the things which affect their own lives—their take-home pay, their rent, their grocery bill, the kind of house in which they live, how to pay for a major operation, and what is going to happen to them when they get old."

2. Feelings of insecurity which led to these mass demands are primarily the result of transition from a handicraft culture to a high-energy culture. Two world wars have added their quota of uncertainty, while the black days of 1933 with 15,000,000 unemployed have burned into the mind of every worker who lived through them.

3. In our complicated, interdependent culture, furthermore, many services are mandatory for survival, which the industrial worker, and now even the farmer, cannot provide unaided. Such services appear in the list above—public schools, public health, traffic controls, factory inspection, conservation, flood control, protection of children, care of the aged. No modern state would dare operate without these safeguards.

4. Finally, we can be quite sure that no agency on the list, past or present, is without defect in its design, in its administration, or both. Every function could be done more effectively and at a lower cost.

Take old-age security again. When the Government set up social security in 1935, and began collecting payroll taxes, nobody was then eligible to retire and receive a pension. It would be years before reserves were built up and the 1935 labor force reached the retiring age in large numbers. But old people were in need in 1935. So an emergency provision was put into the Act, the old-age "assistance" department. It was supposed to be a stop-gap which would gradually disappear as the insur-

ance principle gained. Nothing of the sort is happening, indeed the reverse. Old-age "assistance" provides a wonderful dish of gravy for state politicians to play with. The states, not the federal Government, decide who gets assistance. "Need is difficult to define, and this creates the danger of political favoritism," says Dr. Slichter. Here is a condition crying for revision.

If we really want to do something constructive about the welfare state, the path is clear. Stop crying "Up with it" or "Down with it" and begin analyzing. I have given a rough analysis of pensions, but a much more thorough study is needed before conclusions can be reached and useful action taken.

Sen. Robert Taft is said to be advocating an objective analysis of the proposed extension of the social security law. He wants to know if the Senate should accept the change as proposed by the Administration, do less, or do more.

I WOULD carry the senator's idea right down the line. How about a "Hoover Commission" to analyze all the agencies coming under the head of the public welfare? A team of hardboiled, nonpolitical social scientists, including psychologists, public opinion researchers, social historians, along with economists and political scientists, might be retained by Congress to wade into the whole subject. Among the questions the team should try to answer would be these:

What services can legitimately be classed as welfare?

How urgent is popular demand for them?

How did they originate?

Do they fulfill a necessary function in America of 1950, the fifth year of the atomic age?

Assuming the function is essential, how good is the blueprint?

How good is its administration?

What does it save and what does it cost? (A good health plan saves man-hours lost through absenteeism, and so has a credit against gross cost.)

What services can be reduced, or tossed right out the window? (Old-age "assistance," for instance; or the potato subsidy.)

Finally, what does the team recommend Congress shall do?

It might take a year or two or three, but the study would cost less than our annual bill for chewing gum. When the report was made public, we would, for the first time, have a reasonably clear idea of what the welfare state adds up to. We are not within a light year of having it now.

Avedis Zildjian is a
name to conjure with

When it Comes to Cymbals

IF SOMEONE asked you to identify the name of Avedis Zildjian, chances are that unless you're a musician, you wouldn't be able to. Yet this name on a cymbal is to the musical world what a Tiffany label is to the gem purchaser.

Hardly a band, orchestra, trio or jazz group has not at one time or another used Zildjian cymbals. Sultans have employed them as



dinner gongs, African natives to beat out their weird rhythms.

To a cymbal player, the tonal qualities of the instrument are important to his work. Once a cymbalist finds a pair of instruments to his liking, he will guard them with his life. A few years ago, when a renowned cymbalist with the Boston Symphony Orchestra resigned, he refused to part with his cymbals at any price. After a fruitless six months' search of shops, symphony representatives turned to Zildjian for assistance. He had a pair.

Although there are other cymbal makers in the musical world, Zildjian rates as one of the greatest. The secret of fine cymbal making has been with the family since 1623, when Avedis Zildjian, an alchemist living in Constantinople, and after whom the present Avedis Zildjian is named, discovered a new metal-working formula. This process has been a closely guarded secret, being handed down from generation to generation. Although there have been numerous attempts to duplicate a Zildjian

cymbal, no one has yet found a way to do it.

Often, copper-producing companies approach Zildjian with the idea of supplying him with an alloy for cymbal making. On one such occasion a large copper company tried its luck.

Even after Zildjian had revealed the ingredients used to make his cymbals, chemists were not able to put them together in the correct proportions.

The present guardian of the process, whose Turkish name translates into "son of a cymbal maker," started out as a boy to learn the process from an uncle. Despite Avedis' early apprenticeship, it took him almost two years to master the process. He migrated to the United States in 1909. Today, Zildjian, assisted by his two sons, Armand and Robert, is carrying on in true family tradition.

The Zildjians make about 12 different types of cymbals. Some give off the sound of a splash, crash, swish, others the reverberations of a gong.

"A cymbal," said Avedis, "must age for at least a year after being made. Aging improves upon the tone. Some of our cymbals have been aging for 20 years now, and no two have the same tone, or pitch. There are some 40,000 now stored in our vaults."

Zildjian, curiously enough, is not a cymbal player. When working on cymbals he often will come across one with a certain pitch suitable for a recognized cymbalist. As a result, he will reserve this instrument for a possible future sale knowing that sooner or later that musician will contact him.

Zildjian got into the gong end of his business after receiving a phone call one day last year from the West Point bandmaster. The latter asked Zildjian if he could make him a gong.

"Sure," replied Zildjian, who had never before made one.

He made not one, but two. When he called the West Point bandmaster and sounded the gongs over the phone, he said, "How do you like them?"

"Fine," replied the bandmaster. "I'll take the first one. But please hold the other until you hear from a bandmaster friend of mine at Fort Meade."

The next day Zildjian received an order for the other gong from the Fort Meade bandmaster.

Now gongs are a stocked item, and a product obtainable almost exclusively heretofore in China is now an American commodity.

—H. W. KELLY

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By My Way

By R. L. DUFFUS



Influenza, then and now

I HAD my first bout with influenza ("the la grippe", as we called it) in an old farmhouse on the outskirts of a little Vermont village. While I lay, a small boy, on my bed of pain they were building a new hotel, with all modern improvements, in the heart of New York City. It was in this hotel, which had in its turn grown old, that I had my second serious encounter with influenza, late last winter or early this spring.

My first influenza, which I shared with four other members of my family, brought Dr. W., an admirable physician whose very presence bred confidence. All Dr. W. could do, however, was to administer a pill or two, advise us to keep warm and leave Nature to take her course. Nature did this, and all of us got well. My second influenza I shared with my wife; I was quite willing to share it with others but nobody else was around. This time we were attended by Dr. H., who is also an admirable physician whose presence breeds confidence. But Dr. H. did not have to depend on pills; he hauled out a needle that looked as big as King Arthur's lance and shot us full of a miracle-working drug. And we got well, as I had done before.

Pleasures of illness

THE best thing about being sick is getting well, in fact. Other features of illness I don't so much care for. But if one has selected a not too dangerous ailment, with a moderate but not excessive fever, convalescence can be fun. There comes a day when one feels perfectly comfortable, yet when it is still one's duty to take things easy—when one must still consent to be waited on, when one's delicate appetite must still be tempted, when one doesn't want to work and can't work but when being read to, or listening to the radio or visiting with friends from the outer world is permissible.

The trouble is that that day passes all too soon, and what was a virtue on Thursday becomes sheer laziness and shiftlessness on Friday.

Who invented filters?

I WAS, they told me, a victim of a filterable virus. Of course no one would have known this if someone hadn't invented a filter that could be used to filter viruses of that species. Indeed, I seriously question whether a filterable virus could have existed if filters hadn't first been invented. A filterable virus without a filter couldn't have had any fun at all. He couldn't even have proved that he *was* filterable. He could have walked up and down and swaggered and spit through his teeth and made a nuisance of himself, but he would have looked pretty sick when somebody asked him to put up or shut up.

The filter of course removed this embarrassment. The kind of virus I had went off and got himself filtered and came back with a certificate from a laboratory technician. Then he rolled up his sleeves and went to work on me, and there were moments when if I could have found the inventor of the filter and had had the strength things would have gone hard with him.



The wooden Indian

A MAN in Bristol, R. I., says he thinks he has about half the world's surviving wooden Indians in a museum he has set up on his estate. Why, I wonder, did the wooden Indian become a museum piece? Why did he vanish from his

old haunt in front of the cigar store?

Once upon a time there must have been wooden Indian factories, each with its workmen, each with its salesmen going out into the world to take orders, many, perhaps, with a president, a secretary and a chairman of the board. What became of them?

What caused that dropping off of business which closed those factories one by one? The spiders weave their webs over the dusty windows of the old wooden Indian factories. Little boys throw rocks through those windows. Why? What happened? I just don't know. But I do know that as soon as I can get around to it I am going to start a Society for the Restoration of the Wooden Indian to His Proper Place in Front of Cigar Stores, Inc. I hope R. F. Haffenreffer, of Bristol, R. I., will join the society. He must love wooden Indians or he wouldn't have collected so many of them.



The flowers that bloom

I ALSO wonder if little boys and girls in Vermont and other states still go mayflowering in the spring. The spring flower that comes to my mind is the *Arisaema triphyllum*. This flower, like other spring blossoms found in the woods, was of no earthly use when detached from its native environment. For some reason, however, a small boy found it pleasant to help a small girl hunt for it; I forget what the reason was but there must have been one. (And in case the gentle reader hasn't got his unabridged dictionary handy the Latin name I used above means our old friend, jack-in-the-pulpit.)

The Grade B hen

WHILE eating a Grade A egg the other day I got to thinking about how proud the hen that laid that egg must be to have it so designated, and how depressed, on the other hand, she would be if she had tried and tried, and gone to bed early and eaten the right foods and lived an upright life, and only succeeded in laying Grade B eggs. I hope that egg farmers are careful

about these matters and don't set up class distinctions in their hen houses. Probably they couldn't afford to, for a really sensitive hen who had been jeered at for laying Grade B eggs would feel so bad that the first thing anybody knew she would be laying Grade Z eggs and wind up in a stew. I am sure kindness, consideration and diplomacy are assets in the poultry business as they are in other undertakings.

Lines—bee vs. party

I AM FASCINATED by a dispatch from Davis, Calif., which says that specialists at the State Agricultural College are "producing red, white and blue-eyed bee colonies" in their attempt to improve the breed of bees. I don't know whether each bee is to have red, white and blue eyes, or whether a bee will have one red and one white, or one white and one blue, or one red and one blue, or whether one bee will have red eyes, another blue eyes and another white eyes. But I hope the intention is to make the bees look and feel patriotic, and prevent them from falling under the influence of foreign ideologies. Then we will be able at all times to tell a bee line from a party line.

The horn blowers

I SUPPOSE our ancestors did futile things, but I doubt they did anything quite so futile as we do when we sit in our motorcars in the middle of a traffic jam and blow our horns. I have found one way to cure this habit. I sit on my hands.

Flying saucers? Ho, hum

I DIDN'T fall for flying saucers this year, nor last year, either. This was not because I believed flying saucers impossible. I can't think of anything in the mechanical line these days that is really impossible. The airplane, the atom bomb and the zipper have cured me of any tendency to state that a thing can't be done. My position is simply that an alleged phenomenon has got to be a lot more impossible than a flying saucer before I am going to stay up nights worrying about it. I regret this situation. Time was when I could read the scientific romances of Jules Verne and H. G. Wells with real excitement. But Verne's famous submarine is old stuff today and his trip around the world in 80 days seems snail-like. As for H. G. Wells, some people say Mars has already

tried to invade us and any morning now we may read that somebody who didn't like Iowa has landed on the moon. So, as I say, I can't get worked up about flying saucers.

Sorry!

I TRY not to make misstatements but when I do fall into error I am glad to acknowledge that fact. I am glad for two reasons: first, because I believe in truth; second, because it is a sort of compliment to have one's statements or misstatements noticed. Some months ago I mentioned in this department that a magazine called *Natural History* had used odorized printing inks—the scent of pine, for example, to suggest the wholesome outdoor quality of its contents. A newspaper clipping led me to ascribe the development of this ink to the wrong party. The right party was the Sigmund Ullman Division of the Sun Chemical Corporation, which I hope will proceed with the good work.



Tears, idle and otherwise

TWO Chicago scientists have come up with a fact that most people already knew. This is that women cry better than men—that is, they can produce more tears. Men, who are brought up to believe crying unmanly, never get enough practice. But I don't believe even women cry as much as they did. Perhaps they are giving up tears as a means of having their own way just as they gave up fainting.

Fifty or 60 years ago, if you believe the legends and the books, women fainted all over the place on the slightest provocation—good news, bad news or plain boredom. Now they would consider it effeminate to do so. But now, as then, they frequently persuade their husbands to do what they want them to do.

"Success" in clothes

A MALE fashion note says that the well dressed man this season will try for the "successful look." This means, I take it, wearing clothes that look as though they were intended for the wearer and not for his fat cousin (or his skinny

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National CARE Week this year marks the fourth anniversary of CARE's first package delivery on May 9, 1946, in the French city of Le Havre. Since then more than nine million CARE packages, valued at over \$88,000,000 have been delivered abroad, while educational institutions in 17 European and Asiatic countries have received gifts of new American scientific and technical books through the Book Program which was launched a few months ago.

Orders and contributions can be sent to local CARE offices and Committees throughout the United States, or to CARE headquarters, 20 Broad Street, New York 5, N. Y.

uncle); it also means a little more "color interest" than has previously been thought wise. I am in favor of clothes that fit and also of color, provided it is either blue or gray. But I wonder whether it would not be wrong of me to look successful unless I really am successful; and whether I really am successful or not I cannot determine. I have not realized my ambitions in life, which were, at various stages, to be a locomotive engineer, a military hero, a sea captain and a brilliant and widely acclaimed foreign correspondent. I did not set out to become President, for I was not born in a log cabin, and so I do not count my lack of political achievement as a real failure. I imagine my best course is to dress like a man who has had his ups and downs and hasn't anything to complain about, but who never set the river on fire. I shan't feel lonesome in that disguise.

"Honeymoon rates"

A RADIO advertisement of an inn somewhere in the mountains or down at the shore ended with an earnest appeal to "Write for honeymoon rates." We did not do so, my wife and I, because I could see no way of making myself look as though I were in my 20's and just married. But we wondered why the inn made this offer. Was it because honeymooners eat less than other people, and are thus cheaper to board? Was it because their appearance and conduct afforded entertainment to others? We didn't like to think that. Was it because if they liked the inn they would go away and come back some time with a large and profitable family? My wife said none of these reasons was good. She said she felt sure that the inn just happened to like the nice young happy atmosphere that honeymooners produce. I think women are sentimental—and often right.

Marvels of nature

MY HEART was wrung, as I suppose everybody's was, by a statement attributed to a spokesman for the Bronx Zoo, New York City, that a shipment of goldfish, inbound from Europe, had become seasick. Under such circumstances goldfish, like human beings, "get listless and stop eating." The water in the tank goes one way, the water in the ocean another way, just as it does when a human passenger tries to take a tub bath in rough weather far from his native land. One can imagine the emotions of

the goldfish, unable as they are to grab hold of anything.

But do fish in the open sea also become ill when the water is turbulent? Do some birds have a fear of great heights? Are some owls afraid to go home in the dark? One question brings up another. And in the words of the song the first answer that comes to mind ain't necessarily so.



Life can still be risky

AMERICAN geologists looking for iron ore in Venezuela struggled through jungles containing 29 species of poisonous snakes. Personally, I would have been satisfied with 28 species, or even fewer, and I could have dispensed altogether with the boa constrictors because a person who has been eaten by a boa constrictor doesn't feel any better merely because this is not a poisonous snake.

But incidents like this go to show that the opportunity for adventure has not vanished from the world. Even in time of peace a man can find an occupation in which he can at one and the same time be useful and run some chance of getting hurt. The iron prospectors in Venezuela wouldn't need to feel like sissies in the presence of the Rocky Mountain trappers of a century ago, or the pirates of earlier days, or the men who sailed with Columbus.

The book-collecting game

A RARE-BOOK catalog tells me that I can have a first edition of Blackstone's "Commentaries" for \$225; one of Burton's "Anatomy of Melancholy" for \$325; one of Thackeray's "Vanity Fair" for \$375. But I can also have James Fenimore Cooper's "The Two Admirals" for \$3, in the first edition of 1842; an uncut Sir Walter Scott, in four volumes, published in 1822, for \$5; and some Robert Louis Stevenson's for not much more than a new edition would cost today. Scarcity or the lack of it is the main explanation. If there were 10,000 Gutenberg Bibles a single leaf of one wouldn't bring \$250, as it is expected to do today.

One doesn't buy rare books for

their contents but for the thrill of knowing that they *are* rare. I don't buy them at all, because I prefer food and clothing for myself and my loved ones. But I admire and envy the collectors; they have such a good and innocent time of it and don't do anybody any harm, except, perhaps, other collectors in the enthusiasm of the game.

Neatness in the air

THE Air Force is trying to make its men and officers look neat. They cannot wear cowboy boots any more when on duty, and I believe this holds also for bedroom slippers and bare feet. The hope has also been expressed that the Air Force will wear suspenders and thus keep its jackets from riding too high above its pants and revealing its shirts. All this strikes me as encouraging, for it suggests that the Air Force, though ready for war, is not expecting war. War is untidy, as all soldiers and many of us who stayed at home found out. It is peace that is neat, and our soldiers of the clouds are acting accordingly.

Let us have a "bit"

THE MOVE to have some new United States coins interests me, just as anything novel does. However, the only coin for which I am plugging (and I hope I shall not be misunderstood) is the "bit" or 12½ cent piece. The "bit" exists, in the vernacular, in California and elsewhere beyond the Mississippi. One can buy two bits' worth of this, four bits' worth of that. There used to be a "short bit," or dime, a "long bit" or dime plus a nickel. I'd like some single bits to rattle around in my pocket.

Television vs. study

SURVEYS of high school students who tried to combine study with television have lately shown that the two things don't go together. Young folks who tried to keep one eye on the screen and one eye on algebra didn't do so well at examination time. But the decline in marks wasn't as great as might have been expected; on the average it was about 15 per cent. This leads me to believe that our children are learning to adapt themselves to the world in which they live. In another generation we may have young people who will be able to read a book, watch a television screen and play checkers all at once. And perhaps drive a car or airplane, too.



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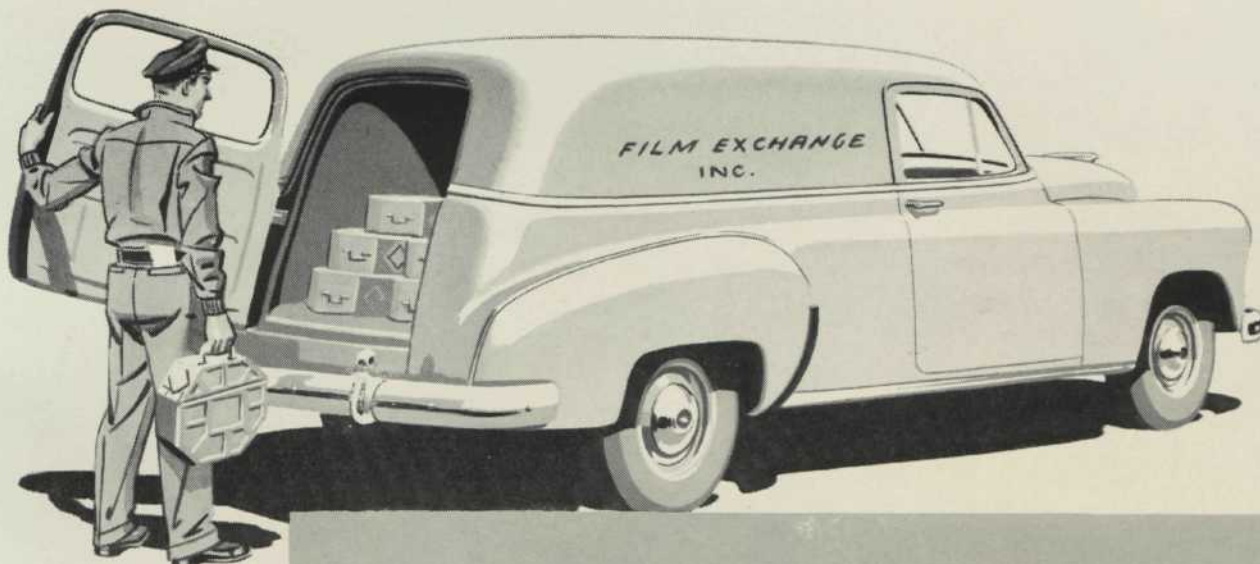
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ADVERTISERS IN THIS ISSUE

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	PAGE		PAGE
Airtemp Division of Chrysler Corporation.....	93	Manitoba Department of Industry and Commerce.....	79
Grant Advertising, Detroit		McKim Advertising, Montreal	
Alsto Company.....	90	Marchant Calculating Machine Company.....	4th cover
Baisch Advertising, Cleveland		Doremus & Company, San Francisco	
American Credit Indemnity Company.....	67	Master Addresser Company.....	82
VanSant, Dugdale, Baltimore		Russ Nelson, Minneapolis	
American Telephone & Telegraph Company.....	63	May, George S., Company.....	4
Cunningham & Walsh, New York		J. R. Pershall, Chicago	
Association of American Railroads.....	81	Merrill Lynch, Pierce, Fenner & Beane.....	5
Benton & Bowles, New York		Albert Frank-Guenther Law, New York	
Autopoint Company.....	96	Metropolitan Oakland Area Committee.....	83
Ruthrauff & Ryan, Chicago		Ryder & Ingram, Oakland	
Biltmore Hotel.....	77	Milwaukee Dustless Brush Company.....	82
Kelly, Nason, New York		Al Herr, Milwaukee	
Blaw-Knox Company.....	85	Mosler Safe Company.....	69
Russell T. Gray, Chicago		Albert Frank-Guenther Law, New York	
Burroughs Adding Machine Company.....	14	Mothersill Remedy Company, Ltd.....	90
Campbell-Ewald, Detroit		Colonnade Advertising, New York	
Butler Manufacturing Company.....	77	National Cash Register Company.....	20
Carter Advertising, Kansas City		McCann-Erickson, New York	
CARE.....	94	Nation's Business.....	73
Direct		Leo McGivern, New York	
Carrier Corporation.....	71	Portland Cement Association.....	8
N. W. Ayer, Philadelphia		Roche, Williams & Cleary, Chicago	
Cast Iron Pipe Research Association.....	12	Province of Quebec Tourist Bureau.....	89
Alley & Richards, New York		Russell T. Kelley, Montreal	
Chamber of Commerce of the United States.....	95	Pynol Company.....	90
Direct		Mace Advertising, Peoria	
Chevrolet Motor Company.....	3rd cover	Remington Rand, Inc.....	2, 3
Campbell-Ewald, Detroit		Leeford Advertising, New York	
Cities Service Oil Company.....	55	St. Petersburg Chamber of Commerce.....	91
Ellington & Company, Inc., New York		Griffith Advertising, St. Petersburg	
Commercial Credit Company.....	6	Santa Fe Railway.....	68
VanSant, Dugdale, Baltimore		Leo Burnett, Chicago	
Consumers Power Company.....	1	Sinclair Oil Corporation.....	23
Commonwealth Services, New York		Doremus & Company, New York	
Executone, Inc.....	10	South Carolina Research, Planning & Development Board.....	65
Joseph Katz, New York		Jim Henderson, Greenville	
Fairbanks, Morse & Company.....	24	Southern Railway System.....	27
Buchen Company, Chicago		Cunningham & Walsh, New York	
Florida, State of.....	75	Todd Company.....	66
Henry Quednan, Tampa		Merrill Anderson, New York	
Florists' Telegraph Delivery Association.....	59	Travelers Insurance Company.....	7
Grant Advertising, New York		Young & Rubicam, New York	
Frigidaire Division—General Motors Corporation.....	16	Underwood Corporation.....	61
Foot, Cone & Belding, Chicago		Marschalk & Pratt, New York	
Gardner-Denver Company.....	57	Union Oil Company.....	31
Buchen Company, Chicago		Foot, Cone & Belding, Los Angeles	
General Outdoor Advertising Company.....	9	Union Pacific Railroad.....	32
McCann-Erickson, Chicago		Caples Company, Chicago	
Globe Automatic Sprinkler Company, Inc.....	82	United States Fidelity & Guaranty Company.....	2nd cover
Marschalk & Pratt, New York		VanSant, Dugdale, Baltimore	
Hamilton, Alexander, Institute.....	15	Weber Addressing Machine Company.....	90
St. Georges & Keyes, New York		Almon Brooks Wilder, Chicago	
Hardware Mutuals.....	28	Western Electric Company.....	53
Roche, Williams & Cleary, Chicago		Cunningham & Walsh, New York	
Hartford Fire Insurance Company and Hartford Accident & Indemnity Company.....	87	West Virginia Industrial & Publicity Commission.....	93
Cunningham & Walsh, New York		Advertising Inc., Charleston	
International Bronze Tablet Company, Inc.....	90	Will-Burt Company.....	89
Will Burgess, New York		Kight Advertising, Columbus	
Journal of Commerce.....	87, 91		
Charles W. Hoyt, New York			
Kawneer Company.....	13		
Fulton, Morrissey, Chicago			
Kimberly-Clark Corporation.....	11		
Foot, Cone & Belding, Chicago			
Kreml Hair Tonic.....	87		
Erwin, Wasey, New York			



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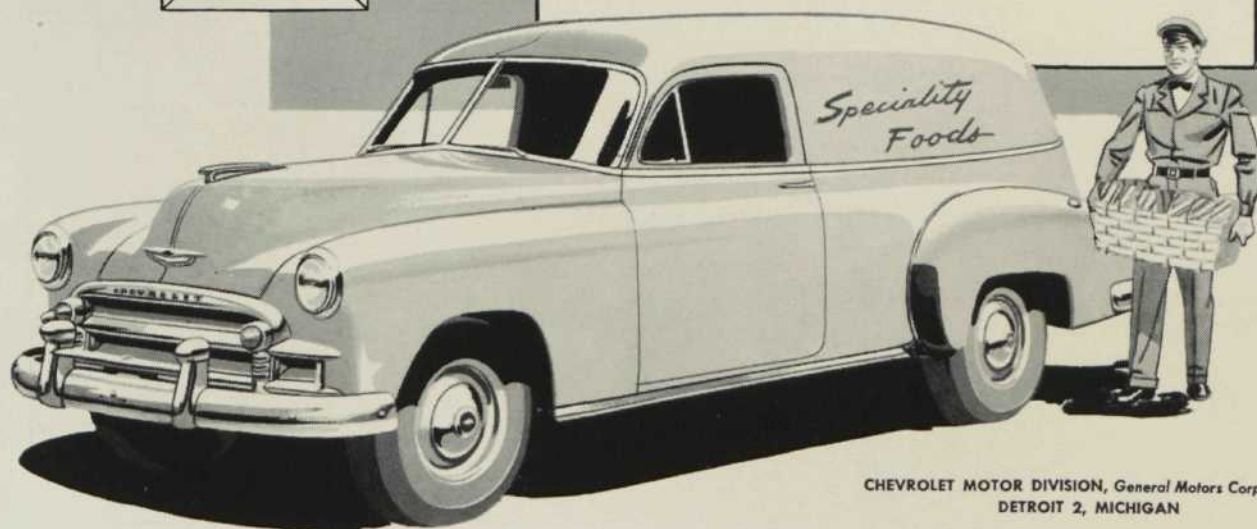
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